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TELECOMMUNICATIONS FACILITIES AND DEMONSTRATION ACT OF 1975

94-2

HEARING

BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS
COMMITTEE ON COMMERCE
UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

S. 1257 and H.R. 9630

TO EXTEND THE EDUCATIONAL BROADCASTING FACILITIES PROGRAM AND TO PROVIDE AUTHORITY FOR THE SUPPORT OF DEMONSTRATIONS IN TELECOMMUNICATIONS TECHNOLOGIES FOR THE DISTRIBUTION OF HEALTH, EDUCATION, AND SOCIAL SERVICE INFORMATION, AND FOR OTHER PURPOSES

MARCH 31, 1976

Serial No. 94–71

Printed for the use of the Committee on Commerce

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TELECOMMUNICATIONS FACILITIES AND DEMONSTRATION ACT OF 1975

WERNESDAY, MARCH 31, 1976

U.S. SENATE,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON COMMUNICATIONS,
Washington, D.C.

The subcommittee at 10:10 a.m., pursuant to notice, in room 5110, Dirksen Senate Office Building, Hon. Vance Hartke, presiding.

OPENING STATEMENT BY SENATOR HARTKE

Senator HARTKE. The hearing will come to order.

The subcommittee meets today to consider legislation to extend the HEW educational broadcast facilities program and to provide authority for HEW support of demonstrations in telecommunications technoligies for the distribution of health, education, and public or social service information.

This legislation is of considerable importance to the continued progress of public broadcasting and to the further development of public interest uses of telecommunications technologies.

In this connection, we hope today to review the progress of the facilities program to date, as well as the program's future direction. We are also interested in the purposes and goals of the proposed demonstrations program and the manner in which this program would be implemented.

Our first witness this morning is Mr. William A. Morrill, Assistant Secretary for Planning and Evaluation, Department of Health, Education, and Welfare.

[The bills and agency comments follow:]

Staff members assigned to this hearing: Joseph R. Fogarty, Nicholas Miller, and James Graf.

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94TH CONGRESS
1ST SESSION

S. 1257

IN THE SENATE OF THE UNITED STATES

MARCH 20 (legislative day, MARCH 12), 1975

Mr. MAGNUSON (for himself and Mr. PEARSON) (by request) introduced the following bill; which was read twice and referred to the Committee on Commerce

A BILL

To extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Telecommunications
4 Facilities and Demonstration Act of 1975".

5 PURPOSE

6 SEC. 2. (a) Part IV of title III of the Communications
7 Act of 1934 is amended by striking out the heading of such
8 part and inserting in lieu thereof "ASSISTANCE FOR NON-

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1 COMMERCIAL EDUCATIONAL BROADCASTING FACILITIES;
2 TELECOMMUNICATIONS DEMONSTRATIONS, CORPORATION
3 FOR PUBLIC BROADCASTING".

4 (b) Subpart A of such part is amended by striking out
5 the heading of such subpart and inserting in lieu thereof
6 "ASSISTANCE FOR TELECOMMUNICATIONS FACILITIES AND
7 DEMONSTRATIONS".

8 (c) Section 390 of such Act is amended to read as
9 follows:

10 "DECLARATION OF PURPOSE

11 "SEC. 390. The purposes of this subpart are to assist
12 (through matching grants) in the construction of noncom-
13 mercial educational television or radio broadcasting facilities
14 and to demonstrate (through grants or contracts) the use
15 of telecommunications technologies for the distribution and
16 dissemination of health, education, and other social service
17 information.".

18 APPROPRIATIONS

19 SEC. 3. Section 391 of such Act is amended to read as
20 follows:

21 "AUTHORIZATIONS OF APPROPRIATIONS

22 "SEC. 391. (a) There are authorized to be appropri-
23 ated for carrying out the purposes of this subpart $7,000,000
24 for the fiscal year ending June 30, 1976, and for each of
25 the four succeeding fiscal years.

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1 "(b) Sums appropriated pursuant to this section shall
2 remain available for payment of grants or contracts for proj-
3 ects for which applications, approved under sections 392
4 and 392A, have been submitted prior to October 1, 1981,
5 for construction of noncommercial educational television or
6 radio broadcasting facilities or for telecommunications
7 demonstrations.".

8 CRITERIA FOR BROADCAST FACILITIES CONSTRUCTION

9 SEC. 4. (a) Section 392 (a) (1) of such Act is amended
10 by striking out clause (C) and inserting in lieu thereof
11 "(C) a public or private nonprofit college or university,".
12 (b) Section 392 (d) of such Act is amended to read as
13 follows:
14 "(d) The Secretary shall base his determinations of
15 whether to approve applications for grants under this section
16 and the amount of such grants on criteria set forth in regu-
17 lations and designed to achieve (1) a strengthening of the
18 capability of existing noncommercial educational broadcast
19 stations to provide local services; (2) the adaptation of
20 existing noncommercial educational broadcast facilities to
21 broaden educational uses; and (3) extension of noncommer-
22 cial educational broadcast services, with due consideration
23 to equitable geographic coverage throughout the United
24 States.".

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1 TELECOMMUNICATIONS DEMONSTRATIONS

2 SEC. 5. The Communications Act of 1934 is amended
3 by adding after section 392 the following new section:

4 "TELECOMMUNICATIONS DEMONSTRATIONS

5 "SEC. 392A. (a) It is the purpose of this section to pro-
6 mote the development of nonbroadcast telecommunications
7 facilities and services for the transmission, distribution and
8 delivery of health, education, and social service information.
9 The Secretary is authorized, upon receipt of an application in
10 such form and containing such information as he may by
11 regulation require, to make grants to, and enter into contracts
12 with public and private non-profit agencies, organizations,
13 and institutions for the purpose of carrying out telecommuni-
14 cations demonstrations.

15 "(b) The Secretary may approve an application sub-
16 mitted under subsection (a) if he determines:

17 "(1) that the project for which application is made
18 will demonstrate innovative methods or techniques of
19 utilizing nonbroadcast telecommunications equipment or
20 facilities to satisfy the purpose of this section;

21 "(2) that demonstrations and related activities as-
22 sisted under this section will remain under the adminis-
23 tration and control of the applicant;

24 "(3) that the applicant has the managerial and tech-

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14 nical capability to carry out the project for which the
15 application is made; and
16 "(4) that the facilities and equipment acquired or
17 developed pursuant to the application will be used only
18 for the transmission, distribution and delivery of health,
19 education, or social service information.
20 "(c) Upon approving any application under this section
21 with respect to any project, the Secretary shall make a grant
22 to or enter into a contract with the applicant in an amount
23 determined by the Secretary not to exceed the reasonable
24 and necessary cost of such project. The Secretary shall pay
25 such amount from the sum available therefor, in advance or
14 by way of reimbursement, and in such installments consistent
15 with established practice, as he may determine.
16 "(d) Funds made available pursuant to this section
17 shall not be available for the construction, remodeling, or
18 repair of structures to house the facilities or equipment ac-
19 quired or developed with such funds, except that such funds
20 may be used for minor remodeling which is necessary for
21 and incident to the installation of such facilities or equipment.
22 "(e) For purposes of this section, the term 'nonbroad-
23 cast telecommunications facilities' includes, but is not limited
24 to, cable television systems, communications satellite sys-
25 tems and related terminal equipment, and other methods of

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1 transmitting, emitting, or receiving images and sounds or
2 intelligence by means of wire, radio, optical, electromagnetic
3 or other means.

4 "(f) The funding of any demonstration pursuant to this
5 section shall continue for not more than three years from the
6 date of the original grant or contract.

7 "(g) The Secretary shall require that the recipient of a
8 grant or contract under this section submit a summary and
9 evaluation of the results of the demonstration at least an-
10 nually for each year in which funds are received pursuant to
11 this section.".

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94TH CONGRESS
2D SESSION

H. R. 9630

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1976

Read twice and referred to the Committee on Commerce

AN ACT

To extend the Educational Broadcasting Facilities Program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Educational Broadcast-
4 ing Facilities and Telecommunications Demonstration Act
5 of 1976".

6 PURPOSE

7 SEC. 2. (a) Part IV of title III of the Communications
8 Act of 1934 is amended by striking out the heading of such
9 part and inserting in lieu thereof "ASSISTANCE FOR NON-

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1 COMMERCIAL EDUCATIONAL BROADCASTING FACILITIES;
2 TELECOMMUNICATIONS DEMONSTRATIONS; CORPORATION
3 FOR PUBLIC BROADCASTING".

4 (b) Subpart A of such part is amended by striking out
5 the heading of such subpart and inserting in lieu thereof
6 "ASSISTANCE FOR NONCOMMERCIAL EDUCATIONAL BROAD-
7 CASTING FACILITIES AND TELECOMMUNICATIONS DEMON-
8 STRATIONS".

9 (c) Section 390 of such Act is amended to read as
10 follows:

11 "DECLARATION OF PURPOSE

12 "SEC. 390. The purposes of this subpart are (1) to
13 assist (through matching grants) in the construction of non-
14 commercial educational television or radio broadcasting
15 facilities, and (2) to demonstrate (through grants or con-
16 tracts) the use of telecommunications technologies for the
17 distribution and dissemination of health, education, and other
18 public or social service information.".

19 AUTHORIZATION OF APPROPRIATIONS

20 SEC. 3. Section 391 of the Communications Act of 1934
21 is amended to read as follows:

22 "SEC. 391. There are authorized to be appropriated
23 $7,500,000 for the period July 1, 1976, through Septem-
24 ber 30, 1976, and $30,000,000 for the fiscal year ending
25 September 30, 1977, to assist (through matching grants) in

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1 the construction of noncommercial educational television or
2 radio broadcasting facilities as provided in this subpart.
3 Sums appropriated under this section for any fiscal year or
4 period shall remain available for payment of grants for
5 projects for which applications approved under section 392
6 have been submitted under such section within one year after
7 the last day of such fiscal year or period.".

8 CRITERIA FOR BROADCAST FACILITIES CONSTRUCTION

9 SEC. 4. (a) Section 392 (a) (1) of the Communications
10 Act of 1934 is amended by striking out clause (C) and
11 inserting in lieu thereof "(C) a public or private nonprofit
12 college or university,".

13 (b) Section 392 (d) of such Act is amended to read
14 as follows:

15 "(d) (1) The Secretary shall base his determinations
16 of whether to approve applications for television grants
17 under this section and the amount of such grants on criteria
18 set forth in regulations and designed to achieve (A) a
19 strengthening of the capability of existing noncommercial
20 educational television stations to provide local services; (B)
21 the adaptation of existing noncommercial educational tele-
22 vision facilities to broaden educational uses; and (C) ex-
23 tension of noncommercial educational television services,
24 with due consideration to equitable geographic coverage
25 throughout the United States.

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1 "(2) The Secretary shall base his determination of
2 whether to approve applications for radio grants under this
3 section and the amount of such grants on criteria set forth in
4 regulations and designed to achieve (A) extension of non-
5 commercial educational radio services with due consideration
6 to equitable geographic coverage throughout the United
7 States; (B) a strengthening of the capability of existing
8 noncommercial educational radio stations to provide local
9 service; and (C) the provision of multiple radio stations in
10 major population centers to broaden services for special
11 interest, minority, and educational uses.".

12 COORDINATION

13 SEC. 5. Section 395 of the Communications Act of 1934
14 is amended to read as follows:

15 "COORDINATION WITH THE COMMISSION AND THE
16 CORPORATION

17 "SEC. 395. The Federal Communications Commission
18 is authorized to provide such assistance in carrying out the
19 provisions of this subpart as may be requested by the Secre-
20 tary. The Secretary shall provide for close coordination with
21 the Federal Communications Commission in the administra-
22 tion of his functions under this subpart which are of interest
23 to or affect the functions of the Commission. The Secretary
24 shall provide for close coordination with the Corporation
25 for Public Broadcasting in the administration of his functions

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1 under this subpart which are of interest to or affect the func-
2 tions of the Corporation.".

3 CONSTRUCTION

4 SEC. 6. Section 397 (2) of the Communications Act of
5 1934 is amended to read as follows:

6 "(2) The term 'construction', as applied to educational
7 television broadcasting facilities or educational radio broad-
8 casting facilities, means the acquisition and installation of
9 transmission and reception apparatus (including towers,
10 microwave equipment, boosters, translators, repeaters,
11 mobile equipment, video recording equipment, nonvideo
12 recording equipment, radio subcarrier receivers, and satellite
13 transceivers) necessary for television broadcasting or radio
14 broadcasting, as the case may be, including apparatus which
15 may incidentally be used for transmitting closed circuit
16 television or radio programs, but such term does not include
17 the construction or repair of structures to house such appara-
18 tus. In the case of apparatus, the acquisition and installation
19 of which is so included, such term also includes planning
20 therefor.".

21 AUDIO RECORDING EQUIPMENT

22 SEC. 7. Section 399 (b) of the Communications Act of
23 1934 is amended by adding at the end thereof the following
24 new paragraph:

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1 "(5) From amounts appropriated pursuant to section
2 391 after the date of enactment of this paragraph, the Sec-
3 retary may make a grant to any licensee of a noncommer-
4 cial educational broadcast station who received assistance
5 under this part of the full amount necessary to acquire equip-
6 ment to permit such licensee to comply with paragraph (1)
7 of this subsection.".

8 TELECOMMUNICATIONS DEMONSTRATIONS

9 SEC. 8. The Communications Act of 1934 is amended
10 by adding after section 392 the following new section:

11 "TELECOMMUNICATIONS DEMONSTRATIONS

12 "SEC. 392A. (a) It is the purpose of this section to pro-
13 mote the development of nonbroadcast telecommunications
14 facilities and services for the transmission, distribution and
15 delivery of health, education, and public or social service
16 information. The Secretary is authorized, upon receipt of an
17 application in such form and containing such information as
18 he may by regulation require, to make grants to, and enter
19 into contracts with public and private nonprofit agencies,
20 organizations, and institutions for the purpose of carrying
21 out telecommunications demonstrations.

22 "(b) The Secretary may approve an application sub-
23 mitted under subsection (a) if he determines—

24 "(1) that the project for which application is made
25 will demonstrate innovative methods or techniques of

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1 utilizing nonbroadcast telecommunications equipment or
2 facilities to satisfy the purpose of this section;
3 "(2) that demonstrations and related activities as-
4 sisted under this section will remain under the admin-
5 istration and control of the applicant;
6 "(3) that the applicant has the managerial and
7 technical capability to carry out the project for which
8 the application is made; and
9 "(4) that the facilities and equipment acquired or
10 developed pursuant to the application will be used sub-
11 stantially for the transmission, distribution, and deliv-
12 ery of health, education, or public or social service
13 information.
14 "(c) Upon approving any application under this sec-
15 tion with respect to any project, the Secretary shall make
16 a grant to or enter into a contract with the applicant in an
17 amount determined by the Secretary not to exceed the
18 reasonable and necessary cost of such project. The Secretary
19 shall pay such amount from the sum available therefor, in
20 advance or by way of reimbursement, and in such install-
21 ments consistent with established practice, as he may
22 determine.
23 "(d) Funds made available pursuant to this section
24 shall not be available for the construction, remodeling, or
25 repair of structures to house the facilities or equipment ac-

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1 quired or developed with such funds, except that such funds
2 may be used for minor remodeling which is necessary for
3 and incident to the installation of such facilities or equip-
4 ment.

5 "(e) For purposes of this section, the term 'nonbroad-
6 cast telecommunications facilities' includes, but is not limited
7 to, cable television systems, communications satellite systems
8 and related terminal equipment, and other methods of trans-
9 mitting, emitting, or receiving images and sounds or intel-
10 ligence by means of wire, radio, optical, electromagnetic or
11 other means.

12 "(f) The funding of any demonstration pursuant to this
13 section shall continue for not more than three years from the
14 date of the original grant or contract.

15 "(g) The Secretary shall require that the recipient of
16 a grant or contract under this section submit a summary and
17 evaluation of the results of the demonstration at least an-
18 nually for each year in which funds are received pursuant to
19 this section.

20 "(h) There are authorized to be appropriated $1,000,-
21 000 for the fiscal year ending June 30, 1976, and $250,000
22 for the period July 1, 1976, through September 30, 1976, to
23 carry out the provisions of this section. Sums appropriated
24 under this subsection for any fiscal year or period shall remain

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1 available for payment of grants or contracts for projects for
2 which applications approved under this section have been
3 submitted within one year after the last day of such fiscal
4 year or period.".

Passed the House of Representatives January 20, 1976.

Attest: EDMUND L. HENSHAW, JR.,
Clerk.

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COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 9, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,

DEAR MR. CHAIRMAN: Your letter of April 10, 1975, transmitted copies of S. 1257, 94th Congress, which, if enacted, would be cited as the "Telecommunications Facilities and Demonstration Act of 1975," and requested our comments thereon.

Subsection 392A(c), which would be added to the Communications Act of 1934 by section 5 of the bill, would authorize the Secretary of Health, Education, and Welfare to pay up to 100 percent of the reasonable and necessary costs of any project approved in accordance with the four requirements listed in subsection 392A(b). To insure judicious allocation of appropriated funds which may be forthcoming, the Committee may wish to consider requiring that the Secretary of Health, Education, and Welfare establish specific criteria for determining the "reasonableness" of project costs in light of project objectives. Such a revision might be accomplished by inserting a fifth requirement under subsection 392A(b) regarding cost, such as—

"(5) that the total cost of the project to be assisted and the amount of Federal assistance requested by such appliaction is reasonable in relation to the objectives of the project and in accordance with criteria established by the Secretary."

Although section 392A(g) calls for a summary and evaluation by the recipient of a grant or contract, it does not call for an overall evaluation by the Secretary. It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluations should rest initially upon the responsible agencies. In line with this concept, it would be appropriate to consider the kinds of information and tests which will enable determination of how well the program is working and whether alternative approaches may offer greater promise. For example an added provision for continual evaluation by the Secretary with stated reporting dates to the Congress would serve to improve this bill. We will be happy to work with the Committee in developing specific language if you wish.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General of the United States.

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., March 12, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of March 5, 1976, requesting the comments of the Corporation for Public Broadcasting, Public Broadcasting Service, Association of Public Radio Stations, and National Public Radio on S. 1257 and H.R. 9630, the Telecommunications Facilities and Demonstration Act of 1975.

We jointly urge your favorable consideration of H.R. 9630, which passed the House of Representatives on January 20, 1976, by voice vote.

H.R. 9630 differs from S. 1257 in a number of key features. First, it limits the authorization to one year instead of the five years requested in S. 1257. While we believe a multi-year authorization will be needed subsequently, this one-year extension will allow the Congress time to study the best form that long-range legislation should take.

At the same time, the one-year authorization will permit the continuing development of public broadcasting, and will permit evaluation of the new telecommunications demonstration program for at least one year before making a longer term commitment.

Secondly, H.R. 9630 differs from S. 1257 in that its authorization level is raised from $7 million to $30 million, plus $1 million for the telecommunications demonstration program.

H.R. 9630 also provides $7.5 million for facilities and $250,000 for demonstrations during the transitional period, July 1, 1976, through September 30,

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1976. It is public broadcasting's belief that the aims of the legislation cannot be achieved at the Administration-proposed S. 1257 funding levels, and that the levels authorized by H.R. 9630 are reasonable and necessary.

Since the Public Broadcasting Act of 1967 was passed, public broadcasting has grown to include 265 television and 181 radio stations. The facilities of these stations represent a Federal investment in excess of $100 million and a matching local investment of an additional $200 million. The Corporation for Public Broadcasting has recently completed a study of the projected five-year needs of public television in cooperation with the other national organizations. The findings are revealing.

To upgrade equipment at the present television stations will require a $128 million federal investment. At even minimum levels, it will require an additional $36 million to provide mobile units, electronic journalism equipment, support facilities, studio to transmitter links, and $12 million to develop an estimated 23 new television stations to provide maximum nationwide coverage.

In radio, the Corporation for Public Broadcasting's preliminary estimates indicate a dollar requirement of; $21 million for additional FM stations planned for development, $20 million for upgrading existing stations, $5 million for additional SCA activities and $30 million to develop a new AM broadcasting capability nationwide.

The total needs, based on a minimum level of capability for television and radio, equal $252 million ($176 million for television, $76 million for radio) exclusive of land, buildings and other ineligible equipment. This total sum will have to be matched, of course, with at least $84 million in non-Federal funds.

We, therefore, strongly support the authorization level of $30 million for the facilities program and $7.5 million for the transitional period. H.R. 9630 at these authorization levels would improve our chances of reaching the goals established by the Congress to provide service to ". . . all the citizens of the United States." In order to accomplish this goal, there must be significant improvements for existing stations and additional radio and television stations where needed, improved UHF and FM-SCA technology, a stronger AM Radio Service, improving mobility of local radio and television stations through new recording equipment and improved production equipment, and development and utilization of various new technological advances which can expand the horizons and services of public broadcasting. These breakthroughs require continued strong financial support at both the local and federal level.

Finally, it is worth noting that since the initial funding of the activities program in 1963, Congress's authorizations have traditionally exceeded funds appropriated. Although a total of $180 million was authorized from fiscal 1963 through 1975, only slightly more than $106 million was actually appropriated. Therefore, while an authorization at $30 million for fiscal 1977 is wholly defensible based on actual needs, it is even more defensible because there is scant likelihood that the actual appropriation will represent more than a portion of the funds authorized.

H.R. 9630 also contains three other important changes requested by public broadcasting that make it preferable to S. 1257. First, the bill would establish separate criteria for grants to radio and television stations. The basic reason for this change is that radio is behind in its development, as it was not included in the program until 1967. The activation of stations in radio, therefore, is the highest priority; while in television, expansion and improvement of existing stations is the highest priority. These separate criteria would also recognize the desiraiblity of second and third radio stations in major markets, which are necessary due to the difference in use of radio and television in our society.

Public television and radio also face severe and very fundamental technical problems. Although theoretically public television's signals cover some 80% of the population, the stations probably can deliver a good signal to only about two-thirds of America's households. This results from the fact that 63% of public TV stations transmit on the UHF band (channels 14 through 83)—where problems with transmission technology, and especially with the tuning of home receivers, make it hard for many people to get a good picture. Likewise, public radio stations reach effectively only about 60% of the total population, and less than one-half of the American public can get a good signal from the predominantly FM public radio stations. A major contributing factor to this low degree of coverage is that 34 of the 100 largest population areas

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in the country do not yet have full-service public radio stations. Given adequate facilities and support, however, public radio and television can provide services to substantially all the American people.

The second change would expand the definition of the term "construction" to include radio subcarrier receivers for the first time. Radio subcarrier receivers are single channel receivers tuned to the side-bands of an FM station. In public radio, these side-bands are used to distribute readings of print material to the blind. This is the only type of reception equipment included under this definitional change.

Still another feature of H.R. 9630 would assist radio and television stations in complying with newly-named section 399(b)(2), of the Public Broadcasting Act, which requires that public radio and television stations must record all controversial programming and maintain tapes of that programming for sixty days. FCC rules on this recording were promulgated on January 26, 1976. As a result, difficulty arose, particularly for public radio, in that a new piece of equipment called a log recorder was thus needed. This change in the authorizing legislation would allow the Secretary of Health, Education and Welfare to reimburse the local station for the entire cost of this federally-imposed requirement, as long as the station certified that their only reason for obtaining the equipment would be to comply with the law and FCC regulations. Log recording equipment is eligible equipment under the program at the present time. This change would simply allow local stations who have already received a facilities grant to reapply for equipment they would not have otherwise needed.

Another significantly superior feature of H.R. 9630 over S. 1257 is that the funding of telecommunications demonstration projects is separately authorized. This imposes on the Secretary of Health, Education and Welfare clear Congressional intent as to the allocating of funds between these projects and funds for broadcast facilities.

One final note: we hope that the Congressional commitment to the success and importance of this facilities program will be shared by those who administer this grant program. The intent of the Congress has always been clear: public broadcasting is a matter of major public importance. But public broadcasting programs can be no better than the equipment with which they are made and transmitted, and the facilities grants program is a vital part of that process. We trust that the Department of Health, Education and Welfare will administer the program in that same spirit.

In conclusion, the Corporation for Public Broadcasting, Public Broadcasting Service, Association of Public Radio Stations, and National Public Radio urge your swift approval of H.R. 9630 in lieu of S. 1257. H.R. 9630 will improve the value of this matching program to public broadcasting and will assure better television and radio service for the American people.

We appreciate the opportunity to provide this information. If we can be of further assistance, please do not hesitate to call upon any of us.

Sincerely,

HENRY LOOMIS,
President, CPB.
LEE C. FRISCHKNECHT,
President, NPR.
HARTFORD N. GUNN, JR.,
Vice Chairman, PBS.
MATTHEW B. COFFEY,
President, APRS.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 1, 1976.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on H.R. 9630, a bill "To extend the Educational Broadcasting Facilities Program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information, and for other purposes."

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In summary, H.R. 9630 substantially embodies an Administration proposal for the extension of the Educational Broadcasting Facilities Program and for the creation of a new Telecommunications Demonstration authority. However, we object strongly to certain provisions in the bill as approved by the House of Representatives, particularly the proposed funding level, the modification of the criteria for funding of facilities applications, separation of the authorizations for the broadcast facilities program from that for the demonstration authority, and the limited duration of the authorization of appropriations, and would support the bill only with the changes described below.

The bill would assist (through matching grants) in the construction of noncommercial educational television of radio broadcasting facilities and promote the development of nonbroadcast telecommunications facilities and services for the transmission, distribution, and delivery of health, education, and public or social service information. It proposes a total of $7,500,000 to support facilities grants for the period July 1, 1976, through September 30, 1976, and $30,000,000 for the fiscal year ending September 30, 1977. In addition, the bill proposes $1,000,000 for demonstration grants or contracts for the fiscal year ending June 30, 1976, and $250,000 for the period July 1, 1976, through September 30, 1976.

With regard to the funding level for facilities, we believe that the authorization of $30,000,000 for one year greatly exceeds the highest priority needs of the program and is, therefore, fiscally unnecessary. We also believe that the $7,000,000 annual authorization level recommended by the Administration is adequate to accomplish the goals expressed in our proposal and further articulated in the testimony of the Assistant Secretary for Planning and Evaluation, William A. Morrill, on June 13, 1975, before the House Subcommittee on Communications.

In H.R. 9630 the criteria upon which the Secretary shall base his determinations of whether to approve applications for grants have been separated for television and for radio and are given in a different order for the two. The bill may be read as implying that these criteria are fixed priorities which must be followed in funding applications under the facilities program. It should be made clear that any criteria contained in the statute are meant to serve as a framework around which the Secretary, through regulations, can develop specific priorities in which changing needs can be more readily reflected. Therefore, it is recommended that Section 4 be modified by substituting the language proposed in H.R. 4564. In any event, clause (C) of section 392(d)(2) should be eliminated, because providing cost effective first radio service to all people is more important than multiple radio service in major population centers.

A single authorization for both the Educational Broadcasting Facilities Program and the Telecommunications Demonstration authority, as opposed to the separate authorizations now in H.R. 9630, would allow the Department the flexibility necessary to respond quickly and effectively to changing programs in the past, we believe that their needs will be better served by a single authorization.

Limiting the authorization for these programs to one year or less, as proposed in H.R. 9630, will unduly constrain our ability to make orderly and efficient plans for a nationwide public service telecommunications system. The limited period of authorization would also serve to discourage potential local and institutional partnerships in these long-range developments from investing their own resources in the face of what might appear to be a short-term Federal commitment. Further, cooperative efforts with NASA, other Federal agencies, and private organizations require long-term commitments to support the experimentation and evaluation associated with new telecommunications technology.

In addition, I am enclosing a list of specific recommendations which cover other provisions of concern to us. I hope you will find them useful in your consideration of the bill.

We therefore recommend that the bill be favorably considered, if it is modified to meet the concerns described above.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

MARJORIE LYNCH,
Under Secretary.

Enclosure.

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ADDITIONAL HEW COMMENTS ON H.R. 9630

In addition to the major concerns expressed in Secretary Mathews' letter, the Department of Health, Education, and Welfare has the following comments with regard to specific provisions in the measure.

1. The definition of "construction" in H.R. 9630 contains language that would open up an entirely new area of Federal support under the facilities program. The program has not in the past supported reception facilities other than those necessary to monitor signals being transmitted. If receivers do become eligible for Federal funding, as proposed in H.R. 9630, one result might be the ownership and distribution of receivers by noncommercial educational television or radio stations. This is not a proper function of such stations. Thus, it is recommended that on page 5 the words "and reception" be omitted from line 9 and the words "radio subcarrier receivers" be omitted from line 12. In addition, the inclusion of non-video recording equipment and satellite transceivers in lines 11 through 13 should be deleted, as they are covered under existing regulations for the facilities program.

2. Section 399(b)(5), which provides one hundred percent grants to television and radio stations for the purchase of log-recorders, should be deleted. Such equipment can now be purchased but, as is the case with all other equipment, must meet the minimium 25 percent matching requirement. Most television stations and many radio stations already have equipment necessary to comply with paragraph (1) of Section 399(b). To provide full funding to those stations not having equipment would discriminate against those which have either purchased it with local funds or through a matching facilities grant from the Federal Government.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 30, 1976.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on Communications,
Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the Commission's views on S. 1257 and H.R. 9630, bills concerning educational broadcasting facilities and a telecommunications demonstration program. We appreciate the opportunity to comment on these bills.

S. 1257 and H.R. 9630 would amend the Communications Act of 1934 to extend the Educational Broadcasting Facilities Program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information. The Commission generally supports both these goals. We do, however, have two major reservations concerning the bills.

First, in 1964, the FCC authorized a frequency hand for a low-powered television microwave service called the Instructional Television Fixed Service (ITFS). ITFS now provides a locally controlled, simultaneous, four-channel instructional television system at costs far below those required for educational television broadcasting stations. At this time, there are approximately 195 ITFS systems with about 550 channels on the air—even though there has been no federal funding for this serivce.

Our initial analysis of S. 1257 and H.R. 9630 had given us some concern that the Instructional Television Fixed Service might not qualify for grants since it was not specifically referred to in the bills. The Commission, therefore, was pleased to note that Mr. William A. Morrill, Assistant Secretary for Planning and Evaluation, Department of Health, Education and Welfare, in his statement to the House Subcommittee on a similar bill, H.R. 4564, expressly pointed out that HEW expects to fund demonstrations of telecommunications systems such as ITFS. We believe, nevertheless, that it is appropriate that ITFS be specifically named in § 5 (§ 392A(e)) of S. 1257 and § 8 (§ 392A(e)) of H.R. 9630, or, at least, that the legislative history make clear that ITFS is intended to be included.

The Commission's second reservation is more general. It is obvious that some of the projects which would be proposed for funding under the bills would require FCC licensing and approval. We believe, therefore, that it is

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appropriate for the Commission to be consulted before any decision is made on funding projects under the bills. To achieve this, close coordination should be required between the FCC and HEW, and the FCC should be given some formal participation in the selction and evaluation of projects.

Section 395 of the Communications Act currently requires "consultation and close cooperation" on the part of HEW with the FCC. H.R. 9630 would change this requirement to "close coordination" (§ 5). While we understand this change was intended to strengthen HEW's coordination requirements with the FCC in this area, some explicit recognition of this in the Committee report seems desirable to emphasize that whatever language is used requires a close working relationship and advance coordination with FCC with respect to matters of interest to or affecting the functions of the Commission. The Commission should be given some formal participation in the selection and evaluation of these demonstrations.

H.R. 9630, furthermore, refers in the proposed § 392(d)(2)(c) regarding radio grants to "multiple radio stations in major population centers to broaden services for special interest, minority, and educational uses." This language apparently means, essentially, 10 watt stations. The Commission wishes to call attention to the fact that it has issued proposed rulemaking which deals with noncommercial FM broadcasting including 10 watt stations. It is possible that the findings of the FCC may influence the purpose of § 392(d)(2)(c) and the development of multiple radio stations in population centers.

Finally, consideration might be given to adding non-affiliated individauls and profit making organizations to those eligible for grants or contracts under the proposed § 392A(a) which would be added to the Communications Act by both bills. These entities might well have the necessary expertise and initiative to develop proposals which HEW may wish to support in accomplishment of its goal of demonstrating the use of telecommunications technologies for the distribution of social service information.

Sincerely yours,

RICHARD E. WILEY,
Chairman.

OFFICE OF TELECOMMUNICATIONS POLICY,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., March 15, 1976.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: You have requested the views of the Office of Telecommunications Policy on H.R. 9630, a bill to extend the DHEW Educational Broadcast Facilities Program and to provide authority for DHEW support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information.

This bill, inter alia, would authorize the appropriation of $37.5 million for the period July 1, 1976, through the fiscal year ending September 30, 1977, to assist in the construction of noncommercial educational television or radio broadcasting facilities. A separate appropriation of $1,250,000 would be authorized for demonstration grants or contracts to promote the development of nonbroadcast telecommunications facilities and services through September 30, 1976.

We note that the authorization for the facilities program is significantly in excess of that contained in the Administration's legislative proposal, H.R. 4564. ($7 million per year for five years for both programs.) Moreover, H.R. 9630 would provide separate appropriation authorizations for the construction of broadcast facilities and for nonbroadcast facilities demonstrations. We strongly support a single appropriation authorization as contained in H.R. 4564.

The original purpose of the facilities program was to assist in the construction of noncommercial educational broadcast stations in order to expand the availability of educational broadcast services.

The present coverage of educational broadcast service already reaches approximately 80% of the population. Accoordingly, we believe that continued Federal subsidy at the levels contemplated by H.R. 9630 is excessive and unwarranted. The marginal costs of reaching the remaining 20% of the pop-

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ulation by conventional broadcast technology exceeds the benefits to be gained.

The Administration's budget recommendations represent a fair and proper evaluation of the needs of the facilities program given the present coverage of the educational broadcast system and the potential availability of new, more effective means of program distribution. We therefore oppose enactment of H.R. 9630 unless modified to address the concerns discussed above.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program, and that enactment of H.R. 4564 would be in accord with the President's program.

Sincerely,

JOHN EGER,
Acting Director.

Senator HARTKE. Before we hear the witness, however, I'd like to insert at this time the statement of the chairman of the committee, Warren G. Magnuson, in its entirety.

[The statement follows:]

STATEMENT OF HON. WARREN G. MAGNUSON, CHAIRMAN, SENATE COMMERCE COMMITTEE AND U.S. SENATOR FROM WASHINGTON

Mr. Chairman: I am extremely pleased to see these hearings today. This proposal will extend a program created by legislation I wrote in 1962 which became the grandfather of public broadcasting in our country. The educational broadcasting facilities program has proven its worth and its adaptability to meet the public's changing needs in public broadcasting and telecommunications technology.

The bills before the Commerce Committee would extend the grant program now administered by HEW and create a new grant program—a telecommunications technology demonstration for the distribution and delivery of health, education and public or social service information. I am firmly convinced that this is important legislation which must be passed quickly into law.

The original public broadcasting facilities bill in 1962 provided matching grants to establish and expand noncommercial educational television broadcasting stations. At that time, there were only 76 educational television broadcasting stations on the 242 authorized TV channels allotted for such stations by the Federal Communications Commission. That first facilities act authorized $32 million over a five-year period. And it resulted in 113 new educational television broadcasting stations either beginning operation or starting construction by 1967.

In 1967, the Carnegie Commission on Educational Television documented the enormous potential of noncommercial broadcasting for service to the people of the United States. It proposed the creation of the Corporation for Public Broadcasting (CPB) as a private, non-government corporation to lead and coordinate the efforts of the local non-commercial broadcasters toward providing the greatest possible public service to their communities. Congress responded with the Public Broadcasting Act of 1967 which created the Corporation. Congress wanted CPB to facilitate the development of noncommercial broadcasting, to develop an interconnection between non-commercial stations and to prevent political interference with local non-commercial station program discretion. In the same law, Congress recognized that the best programming and coordination were worthless unless the local non-commercial broadcasters were properly equipped. So it continued the broadcast facilities grant program in the 1962 law and extended it to include educational radio facilities.

This two-pronged federal policy has been a tremendous success. It assures insulated, locally controlled, high quality programming reaching larger and larger numbers of our citizens. And it assures adequate equipment for local broadcasters to produce and broadcast such programs.

The success of the national policy in public broadcasting is easy to prove. In 1962, there were 76 educational television stations on the air serving slightly more than 50 percent of the population of the United States. They were largely uncoordinated and extremely limited in program production capability. Today, there are 264 public television stations on the air serving approximately 80 percent of the population. And the program content and technical quality is equal or superior to commercially supported television. In addition, there are

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about 800 non-commercial radio broadcasting stations now on the air serving approximately 61 percent of the population.

Adequate money to build and upgrade broadcast facilities has been essential to this national program. And the job is not yet completed. Since 1963, less than $100 million in Federal facility grants have attracted total funding support to public broadcasting from all sources in excess of $1 billion. But public broadcasting still does not reach all Americans. In fact, there is today no National Public Radio station in 32 of the top 100 markets. The public broadcasters tell me that about $360 million is still needed to build new and upgrade existing public broadcasting facilities to complete the system the nation should have. So the $30 million annual authorization level is a bare minimum.

Just as the facilities grant program has evolved over time with the creations of CPB and the emergence of public radio, I am pleased to see the Commerce Committee moving ahead on proposals to authorize a telecommunications demonstration grant program to stimulate new forms of electronic communications within the public sector for the public good.

The launching of the ATFS satellite a few years ago created new educational and health care opportunities which were undreamed of in Washington State and remote areas of the Northwest. The ATFS satellite system demonstrated the potential of modern day telecommunications when applied to social problems. It showed us what is possible with local community imagination and a small amount of federal support. The Nation badly needs a formalized program which can stimulate these kinds of demonstration projects on a continuing basis. When a program shows its worth, then the local community can decide whether it is cost justified and should be continued. But the Federal government should be in the business of stimulating these kinds of community services.

The initial funding level proposed for the demonstration program is extremely low—around a million dollars—and for only one year. But the program has great promise. If HEW applies the imagination and inventiveness of the American people and spends this money carefully, the public good will be greatly aided beyond these limited dollars.

Mr. Chairman, I intend to do what I can to see this legislation become law quickly. Then I intend to argue before my Appropriations Subcommittee that the legislation should be funded at its full authorized level.

Thank you.

Senator HARTKE. Mr. Morrill, would you identify the gentlemen that are accompanying you this morning?

STATEMENT OF WILLIAM A. MORRILL, ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY RICHARD A. HASTINGS, DEPUTY ASSISTANT SECRETARY FOR LEGISLATION (EDUCATION); JOHN CAMERON, BRANCH CHIEF, BROADCASTING FACILITIES, BUREAU OF SCHOOL SYSTEMS; AND HOWARD H. HUPE, ACTING DIRECTOR, OFFICE OF TELECOMMUNICATIONS POLICY

Mr. MORRILL. Mr. Chairman, let me identify at the table with me, Mr. Richard Hastings, Deputy Assistant Secretary for Legislation from the Education area, to my left; to my right, John Cameron, the Chief of the Broadcasting Facilities Branch in the Bureau of School Systems; and Mr. Howard Hupe, the Acting Director of the Office of Telecommunications Policy in my office.

Mr. Chairman, I am pleased to appear before you today to discuss H.R. 9630, the Telecommunications Facilities and Demonstration Act of 1976.

With the chairman's permission, I would like to submit for the record a brief summary of what the program has accomplished to

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date, and turn forthwith to the future to discuss our views about the facilities program and then the demonstration authorities.

[The summary follows:]

SUMMARY OF EDUCATIONAL BROADCASTING FACILITIES PROGRAM ACCOMPLISHMENTS

The Congress placed HEW in the field of public broadcasting more than a decade ago in order to assist in the creation of broadcast facilities capable of bringing the world of noncommercial television, and later radio, into homes across the land. Our goal from the start was to establish an initial capacity, a foundation, upon which stations could and would build in the future as needs and technology changed. To the end, the Department supported the Educational Television Facilities Act, authorized by this Subcommittee in 1962, which provided for the first time, Federal financial assistance to stimulate the creation of noncommercial educational television capabilities. Five years later this act was modified to authorize support of noncommercial educational radio and to create the Corporation for Public Broadcasting.

The 556 grants awarded by the Educational Broadcasting Facilities Program to date have made possible the creation of a system of local stations which when fully activated, will be able to provide local, regional, and national ETV service to approximately 80 percent of the population and educational radio service to 65 percent of the population. Federal assistance has helped activate approximately 60 percent of the existing ETV stations and played a major role in developing approximately 65 percent of the public radio stations on the air. Since 1962, the number of ETV stations has increased from 76 to 265, located in 48 states, the District of Columbia, the Virgin Islands, Puerto Rico, American Samoa, and Guam.

During the same period we also have seen considerable growth in the area of public radio. When Federal help first became available to noncommercial radio in 1967, only 67 of the more than 400 noncommercial radio stations on the air were capable of fully serving the community to which the frequency was assigned. Today, 169 "full-service" radio stations that meet the standards commonly accepted in the industry are located in 39 states, Puerto Rico, and the District of Columbia.

Stations constructed with grants from the Educational Broadcasting Facilities Act provide Americans with programming in their homes and schools. Noncommercial radio and television broadcast facilities have produced and disseminated programs on matters of local, state, and national concern including nutrition, health, the environment, drug abuse, problems of the aged, unemployment, welfare, and law enforcement. Such cost-effective and educationally successful programs as SESAME STREET, THE ELECTRIC COMPANY, CARRASCOLENDAS, and FEELING GOOD are available to large segments of our population only because the stations assisted by the Educational Broadcasting Facilities Act are in place and serving a large percentage of our citizens.

Thus far, HEW investment in facilities has been approximately $106 million of a total expenditure from public and private sources exceeding $1 billion. Over the past quarter century, school systems, universities, corporations, foundations, and other public and private organizations have cooperated to demonstrate and utilize the potential effectiveness of public broadcasting. Their support has been indispensable to the creation and development of stations designed to serve local communities throughout the nation. Wherever public broadcasting exists today, it does so because such institutions and individual citizens have continued to provide support through dollar contributions, donations of goods and services, and volunteer performances.

Mr. HARTKE. The original concept of the HEW facilities program, to help start and improve broadcast facilities, remains sound and should not be changed. The implications of this view are particularly important with respect to replacement of existing facilities as they wear out or become obsolete.

We do not believe the program is the appropriate mechanism to provide support for what is clearly an ongoing operational expense

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for public broadcasting. To the extent that Federal support is warranted at all, we believe that the CPB authority under the Public Broadcasting Financing Act, which assures every qualifying station funds each year, is the appropriate mechanism for such purposes.

A second important issue involves what our objectives should be in fulfilling the original and continuing mission of providing a basic noncommercial television and radio capability. Although theoretically 65 percent of the Nation's population resides within the coverage are of an educational radio station and 80 percent resides within the range of an education television station, FM and UHF difficulties lower the percentage of the population actually able to receive an acceptable signal to about 60 percent for radio and 65 percent for ETV.

Our major thrust for radio now and for the next several years, therefore, should be to fully activate stations in unserved areas and to expand and upgrade existing low-powered stations so they can provide communitywide services. Our expectations are that over the next 5 years we should be able to achieve radio coverage in the range of 80 percent of the population.

With respect to television facilities, further coverage is becoming increasingly expensive to achieve. It is our strong view that we are approaching the practical limits of population coverage by new broadcast stations. Review of a 1971 DHEW study, relevant portions of which I would like to submit for the record,[1] clearly indicates that the program is close to the point of unreasonably diminishing returns. Although some individual station activations might still be cost effective in moderately dense population areas, the average per capita cost of reaching the entire remaining unserved population has increased in the last 5 years. PBS has estimated that to add an additional 10 percent in order to reach 90 percent total coverage for ETV would cost as much as the total Federal expenditure in the program to date. Further, station failures in Utah and Montana after activation grants are evidence of the precarious level of local support that exists in some areas. Therefore, our primary emphasis for television for the next few years will be the upgrading of existing facilities to achieve an acceptable signal in served areas.

In recent years, most eligible applicants for educational broadcasting facilities assistance have sought to upgrade existing educational television and radio facilities rather than activate new stations. We believe that local choice of the importation or production of programing at a level commensurate with local needs is an important feature deserving emphasis. Thus, providing state-of-the-art production and reproduction equipment and equipment necessary to improve the coverage of existing stations will figure importantly in our future ETV grants.

I would now like to turn my attention to what we consider to be a significant new long-term role for HEW; support for innovation in the use of telecommunications. The success of public broadcasting has demonstrated the value of using telecommunications as a vehicle for providing health, education, and social services to the Nation.

We are, therefore, recommending an expansion of the 1962 and 1967 Educational Broadcasting Grant Authority to permit the De-

[1] The study referred to is in the committee files.

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partment to fund demonstrations of telecommunications systems with the potential to provide such services. Such demonstrations might utilize facilities like community satellite receivers, cable television, instruction television fixed service, and minitranslaters. Also, we need to expand the variety and number of services beyond the present one-channel broadcast program to achieve a multichannel service capable of adequately dealing with a variety of activities such as open university programing, library sharing, specialized medical uses, and distribution of school audio visuals.

Our demonstration strategy would require a minimum of Federal expenditure to stimulate a rechanneling of large existing local, private, and individual resources spent on service delivery. Rather than funding large new hardware systems, we seek to assist the health, education, and other service communities to test applications of existing and potential commercial and special purpose telecommunications srvices. To the extent the users are satisfied with the benefits, they may integrate the appropriate technologies into the delivery of their services.

In addition, this strategy places selection of applications and program content firmly in the hands of the ultimate users themselves, where we believe it should be, rather than with a federally controlled service. It does this by funding demonstrations, not operational services, leaving the creation of the operational service a matter of local user choice. This is vital in insuring the individual and local determination of the nature of health, education, and other public services, so that these services are responsive to the needs as they are perceived locally.

Now I would like to comment on some specific provisions of H.R. 9630. While we support the extension of the educational broadcasting facilities program and the creation of the new Telecommunications Demonstration Authority, we object strongly to certain provisions of H.R. 9630, particularly the limited duration of the authorization of appropriations, the modification of the criteria for funding of facilities applications, the 100 percent Federal funding for log-recorders, and the proposed authorization level.

Limiting the authorization for these programs to 1 year or less, as proposed in H.R. 9630, will unduly constrain our ability to make orderly and efficient plans for a nationwide public service telecommunications system. The limited period authorization would also serve to discourage potential local and institutional partnerships in these long-range developments from investing their own resources in the face of what might appear to be a short-term Federal commitment. Further, cooperative efforts with NASA, other Federal agencies, and private organizations require long-term commitments to support the experimentation and evaluation associated with new telecommunications technology.

In section 4 of H.R. 9630 the criteria upon which the Secretary shall base his determinations of whether to approve applications for grants have been separated for television and for radio and are given in a different order for the two. The bill may be read as implying that these criteria are fixed priorities which must be followed in funding applications under the facilities program. It should be made clear that any criteria contained in the statute are meant to serve as a

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framework around which the Secretary, through regulations, can develop specific priorities in which changing needs can be more readily reflected.

We are concerned also about the provision which provides 100 percent grants to television and radio stations for the purchase of log-recorders.

As a matter of principle and fairness that provision should be deleted. Such equipment can now be purchased but, as is the case with all other equipment, must meet the minimum 25 percent matching requirement. Most television stations and many radio stations already have the specified equipment. To provide full funding to these stations not having this equipment would discriminate against those stations which have either purchased it with local funds or through a matching facilities grant from the Federal Government.

With regard to the funding level for facilities, we believe that the authorization of $30 million for 1 year greatly exceeds priority needs of the programs and is, therefore, fiscally exorbitant.

In addition, we believe that a single authorization for both the education broadcast facilities program and the Telecommunications Demonstration Authority would allow the Department more flexibility to respond quickly and effectively to changing conditions. Further, expanding the definition of "construction" to include reception facilities would open up an entirely new area of Federal support giving rise to the danger of seriously diluting available program resources.

In conclusion, HEW supports the extension of the broadcast facilities program and creation of the Telecommunications Demonstration Authority with the modifications to H.R. 9630 discussed above.

Thank you, Mr. Chairman.

Senator HARTKE. All right. Thank you for your testimony this morning.

Let me ask you, is the Department committed to educational broadcasting?

Mr. MORRILL. Yes, sir; I think we are.

Senator HARTKE. Definitely committed, mildly committed, or reluctantly committed?

Mr. MORRILL. Well, I think as was outlined in my testimony, we see in public radio quite a chore ahead of us. We are well short of the required level. With respect to new television stations, we think we are beginning to get toward the end of the mission there, but we still have with respect to existing stations need to expand capacity so that a full 80 percent of the population is within covered areas.

Senator HARTKE. How do the budgets of the public radio and television stations in a given community compare with the budgets of the commercial radio and television stations in the same community?

Mr. MORRILL. Well, the Federal funds represent——

Senator HARTKE. I'm just talking about the total budgets. Take WETA here in Washington, for example. They are in radio and in television. How would their budget compare, for example, with any one of the budgets of the Washington commercial stations?

Mr. MORRILL. I'm not sure that I can answer that question personally. I suspect it's obviously much smaller.

Mr. CAMERON. I don't know the answer to that either, sir; however, the sources of income, as you recognize, are entirely different for the two and——

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Senator HARTKE I'm not talking about source of income. I'm talking about service to the people. In other words, in terms of their respective budgets as they bear on that question of service to the people, how do they compare? I think that you're reluctant to say that they just really aren't in the same ball park. Are they?

Mr. MORRILL. I think there clearly is a large differential. We just don't happen to have the express——

Senator HARTKE. How do you address yourselves to that in terms of trying to provide quality broadcasting for the public sector as compared with the private sector if in fact there is a disparity in facilities and disparity in programing facilities and programing operations and in personnel?

Mr. MORRILL. That's I think addressed in two ways, only one of which is discussed here in this bill, Mr. Chairman. That is, we are responsible on the facilities side and the suggestion to the Congress that we have a capacity to demonstrate new technologies. To provide similar type services for the operating budgets, that is more a question for the CPB bill and the financing of ongoing operating expenses. This bill is more directed to the facilities issue.

Senator HARTKE. Should the authorities be combined?

Mr. MORRILL. Should the authorities be combined? Well, I think from the administration view point the financing of the operating side through the CPB bill is the appropriate way to handle the ongoing support levels; our job on the HEW side is to help develop facilities in the first place, get the capacity created.

Senator HARTKE. Well, let me express my concern. You could have a combination of educational broadcasting on the basis of the fact that it was not able to compete effectively with the type of programing that would be available, for example, or facilities which would be available at a commercial station. Otherwise you'd have an unfair comparison, would you not?

Mr. MORRILL. Well, we're involved in that issue to the extent that we're seeking to upgrade the television stations to provide both color capacity and a better signal to the population served. To that extent, yes, it's clearly a role for us. With respect to the operating side, I think to get the Department involved in that issue as opposed to say what Congress created through the CPB would raise some fairly serious issues whether we ought to be into that dimension of it at all, and I think in my own view we should not be.

Senator HARTKE. In essence, though, if you follow the procedure and the money that you have asked for, my understanding is it will take 35 years to reach comparability. Is that right?

Mr. MORRILL. I don't think, at least from our standpaint, we have reached——

Senator HARTKE. I don't plan to be around that long. I'm not going to be around here to check up on you. As to my own longevity, I only expect to live to be 90 myself, but 100 is beyond me.

Mr. MORRILL. Well, there is, as I'm sure the chairman is aware, disagreement about what it takes to create a capability that exists, should we go all the way to 100 percent coverage throughout the Nation, and to what degree our responsibilities should go to the continual replacement of that equipment.

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Senator HARTKE. That's just one level. That's not the level I want to get you to. What you're talking about now is coverage. I'm talking about quality. You're talking about quantity. I'm talking about quality.

Mr. MORRILL. We're also talking about quality in the sense of increasing the power of both the radio stations to reach their audience, the equipment in television stations either to provide color capacity or a better signal in that served area, and that affects quality. It does not get into the programing area.

Senator HARTKE. I understand that. But with the upgrading of that as far as the quantity is concerned, isn't it true that it will take you about 35 years to go ahead and get the job done?

Mr. MORRILL. I think that's a much longer period of time than——

Senator HARTKE. Public broadcasting has indicated that the long-range minimum needs of the facilities program total about $252 million. Is that right? For television, $176 million; $76 million for radio. Do you agree with those figures or do you dispute them?

Mr. MORRILL. We are in, I think, some disagreement with those figures.

Senator HARTKE. All right. What's your disagreement?

Mr. MORRILL. I think those figures are predicated—and I may seek some help from my colleagues here——

Senator HARTKE. Let's just not hurry. You say you disagree with those figures. How do you disagree with them? These are the figures, $252 million for the long-range minimum needs of facilities programs and I said $176 million for television and $76 million for radio.

Mr. MORRILL. I believe the one area of difference, Mr. Chairman, is in whether we should seek a 90 percent coverage goal.

Senator HARTKE. How much are you tasking for this year?

Mr. MORRILL. We're asking for $7 million.

Senator HARTKE. All right. I'm perfectly willing to have these figures disputed but if those figures are correct, and in the absence of any contravailing figures I have to assume that my figures are correct unless you can come up with something different, isn't $252 divided by $7 going to take more than 35 years to get the job done?

Mr. MORRILL. I think that's the way the arithmetic comes out, yes.

Senator HARTKE. This penny-pinching administration, I grant you, makes good sounding rhetoric, but it doesn't make for what I call production of good government. That's what I'm trying to get at. In other words, you can deny the effectiveness of this program, as you can any other program, simply by starving it to death. All I'm trying to find out is whether this is a starvation diet; whether we should add some television stamps to it like we did food stamps.

Mr. MORRILL. I think, to go again to what I see as part of the difference and where the argument exists, as we add additional new stations to try and reach a larger percentage of coverage, we are upping very substantially the cost of each individual percent, as I indicated in my testimony. The question then is what is the appropriate limit? Where is it appropriate to stop?

Senator HARTKE. I think that's right. I'm not talking about being Santa Claus either, but I'm talking about the fact that if you live in an area in the United States in which you have not contributed to the rat syndrome of crowded population, why should you be denied

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this type of facility and service by your government? In other words, the whole of the American system today tends to compound the population problem, and this is another evidence of it. If you're going to deny this type of facility to sparsely settled areas which the commercial people will probably not really try to cover in any meaningful way whatsoever, aren't we really losing sight of the purpose of the program? We have the figures. I just read them. We're not in any fight. We're trying to find out the truth, elusive as it may be.

Mr. CAMERON. These figures do not attempt to compare commercial with educational television. The figures that I have might be of interest to you, sir.

Senator HARTKE. All right.

Mr. CAMERON. They are our best estimates as to what it would cost for educational radio and television the Federal share being 75 percent of eligible equipment to get 90 percent coverage. That does not address the question of comparability with commercial. We have not gone into that. Our estimated figures include—noncommercial television would be $237 million; noncommercial radio would be $40 million; for a total Federal investment of $277 million.

Senator HARTKE. So my $252 million is just a little short.

Mr. MORRILL. That assumes the 90 percent—that makes the same assumption that PBS takes, Mr. Chairman, that is the 90 percent coverage.

Senator HARTKE. How good is your math? I've got mathematical experts on my left They are using new math on me and they are using division. I only believe in multiplication. That's the difference between me and the administration. This administration really is a government of division, dividing what you've got. Mine is the idea of multiply and multiplying out. That's the central difference. Now, you said $272 million total, right?

Mr. CAMERON. Yes, sir.

Senator HARTKE. Divide that by 7 and it's still 35, isn't it?

Mr. CAMERON. Yes.

Senator HARTKE. So what I'm trying to find out is—in other words, have you a definite, sincere, enthusiastic commitment, a medium commitment or a sort of mild commitment to this program? I'm talking about the money budget for this program.

Mr. MORRILL. We are in the usual fiscal situation where many programs—and this would only be one within the Department—all are constrained somewhat to make the total come out within a figure that makes economic sense.

Senator HARTKE. In other words, they gave you a figure and said get yours inside that and it doesn't make any difference if you're a size 40—no matter down to a size 36. That may be a good dietary procedure, but I don't think it's a good government procedure.

Mr. MORRILL. Mr. Chairman, let me just reiterate that these figures we just provided you are on the assumption of 90 percent coverage and at issue we believe is whether that is a reasonable goal, and I'd like to come back and respond also to a question that you raised—what about the rural areas; how are we to reach those? Again, the fact that the unit costs begin to get high, the difficulties in providing local participation that is required under the framework of the program, it's more difficult indeed. I cited a couple of instances where

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stations in such locations are facing difficulties, and we think that the answer may lie not in denying services to the residents of those areas but indeed looking for a new ways technologically to see if we can reach them on a more cost effective basis. For example, as I'm sure the committee is aware, we experimented with satellite applications in the Rocky Mountain areas trying to see if there wasn't a way through that device that we could provide good quality service to rural areas at a reasonable price that could be afforded, and we have been encouraged by the kinds of results and certainly the kind of reception that the users had to those kind of services. It may well be that that kind of new technology application is more nearly a sensible answer to how to reach the sparsely populated areas of this country rather than very high cost television stations.

Senator HARTKE. But that's not the essence of it. How much did you ask for originally?

Mr. MORRILL. I think the administration requested a total of $35 million over a 5-year period.

Senator HARTKE. How much did you ask for?

Mr. MORRILL. The Department's request in the budget, I'm frank to say, I don't recall offhand. I'd like to check that for the record. The number was $7 million for the 1976 fiscal year.

Senator HARTKE. This sort of underscores the inadequacy of the administration's request. That's the point I'm making. Do you think it's inadequate? I don't want to get you fired.

Mr. MORRILL. I may be able to manage that all on my own.

Senator HARTKE. And I don't want you asking for something that you think is not necessary. I think everyone recognizes that in this whole program——

Mr. MORRILL. I think in terms of getting this job done, if you will, as we think the statute outlines it, the numbers that are used on the high side of what the long-range demands are are clearly, in my personal conviction, too large. I think $30 million is too large, but I think we have operated in recent years not with the $30 million level but at something less than that, and I think the backlog of applications is there but it hasn't been growing substantially. We have managed within levels that have actually been appropriated which have been under that $30 million level.

Senator HARTKE. Let's just examine that. How much of the $7 million you're asking for would be earmarked for the facilities program?

Mr. MORRILL. At least 6 million.

Senator HARTKE. $6 million?

Mr. MORRILL. Yes.

Senator HARTKE. All right. How does that compare with the projected needs of the facilities program? Let's go through that. Now what we have here and what staff has given me is for fiscal year 1975. In fiscal year 1975, 193 applications were received. Is that correct?

Mr. MORRILL. That's right.

Senator HARTKE. Sixty-two were granted. Is that correct?

Mr. MORRILL. I don't have the specific number granted.

Mr. CAMERON. That's correct.

Senator HARTKE. Approximately 31 were withdrawn or returned due to technical deficiencies?

Mr. CAMERON. Yes.

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Senator HARTKE. Now that leaves a total of 100 applications which were not funded. Is that correct?

Mr. CAMERON. Yes, sir.

Senator HARTKE. And am I right that the unfunded applications represent a request of $31.1 million?

Mr. CAMERON. That would be approximately correct.

Senator HARTKE. Let me ask you this question then. Were these applications frivolous or lacking in merit?

Mr. CAMERON. No, sir; they were not frivolous. We had already returned the frivolous ones. We had already returned those applications which did not seem to make a good case.

Senator HARTKE. They were returned just simply because there were insufficient funds to provide for them; isn't that correct?

Mr. CAMERON. No, sir. Those that remained eligible are retained and are in the competition again this year.

Senator HARTKE. But they are retained without sufficient funds; isn't that correct?

Mr. CAMERON. Yes, sir.

Senator HARTKE. Isn't the answer obvious? Do you want me to give it to you? The answer is you haven't done the job. You don't have the money to do the job. I'm not asking you to fund something that you don't have the money for. Do you want to challenge that?

Mr. CAMERON. No, sir. We know the money——

Senator HARTKE. You have admitted here, in other words, that we've got 100 applications totaling about $30 million—you asked for $7 million which you say you will use $6 million, and you will still be, by your own admission, $24 million short in terms of applications on file which under normal circumstances should have been granted. Deep down in your heart, wouldn't you have liked to have granted those applications?

Mr. CAMERON.. Well, the needs are there.

Senator HARTKE. In your heart, don't you known you're wrong?

Mr. CAMERON. I think the only question that really remains, because we agree on the data both in terms of needs and money that has been available and that which has been requested, the only question that remains is what portion of those needs is an appropriate role for the Federal Government to fund.

Senator HARTKE. I know you're in this ball park playing this peculiar game that this country has been led to believe is salutary. I will just tell you those people who believe that less is more are just full of what Harry Truman used to call fertilizer. It makes a nice record for campaign fodder and I'm not going to argue that for the moment because some of our Democratic candidates are playing that game, too.

Let me ask you this, Mr. Morrill. The administration's bill would provide for a joint authorization for both the existing facilities and the new demonstration programs. Now since the proposed demonstration program is wholly separate and an untested program, why would it not be appropriate to fund that program separately so you could identify it and really have it separately funded?

Mr. MORRILL. Well, I think certainly from the standpoint of the disclosure to the Congress and to the public of what we're doing, we could clearly want to do that anyhow. It does provide a bit of flexi-

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bility for us to be able to treat that within a total. We would expect to fund demonstration programs as a rather modest level of dollars but which will vary from one year to the next; additional flexibility within whatever resources the Congress makes available to us will be desirable, we think.

Mr. HASTINGS. There's another element there, too, Senator, if I may add to that. That's the question of what happens when the Appropriations Committee gets the request and if there is one lump authorized—if there's a separate line item for the demonstration, then we have the problem of convincing the Appropriations Committees that the authorization committee was really serious when it said the amount that it gave for the demonstration shouldn't reduce that program as well.

Senator HARTKE. The authorizing committee is dead serious. I don't mind going to the Appropriations Committee, but you see that's another game you shouldn't play, in my judgment.

Mr. HASTINGS. It's not a game.

Senator HARTKE. I think too many Government agencies try to play games with the Congress. Let me ask you this question. Wouldn't you be better off to come in here and tell us what you want instead of this flexibility? After all, the ultimate question is can't you move off into the demonstration projects or facilities? Can't you have some movement? We give you a lump sum. Can't you go ahead and make some adjustments and cuts? If I were on the Appropriations Committee that's exactly what I would ask you and expect you to accommodate. In other words, now you have said already that as far as you're concerned about $1 million of the $7 million will be for demonstration programs. Right?

Mr. MORRILL. Yes, sir.

Senator HARTKE. About $6 million for facilities?

Mr. MORRILL. That's correct.

Senator HARTKE. Do you intend to really dip from one to the other? You really don't, do you?

Mr. MORRILL. No, we do not.

Senator HARTKE. Why not keep them separate? If you don't think they are enough, let's ask for enough to go ahead and get the job done? Then if the Appropriations Committee wants to cut you, you can go in good conscience and indicate the consequences if you cut the demonstration program. I just want you to know that the net result will be something less desirable than the authorizing committee really wanted done, and if you move into the facilities I want you to know that we're going to be criticized for not bringing the facilities up to standard. If you keep the programs separate, you're on much more solid ground.

Mr. MORRILL. Well, I'm certainly going to in no way argue with the full disclosure of what we're doing on both sides and accounting to the Congress on both the appropriations and the authorizing side. It is true that as you begin to create very small individual categories that as demands change over time problems arise in terms of being able to move with what everybody agrees is a sensible action. I understand both points of view and think the additional flexibility is the preferable one, but I understand the other point of view as well.

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Senator HARTKE. Let me ask you about the separate facilities priorities for television and radio. Senate bill 1257 proposed by the administration provides a single set of criteria for facilities grants applicable to both radio and television applicants. The administration's proposed criteria appear to emphasize the upgrading of existing facilities over the construction of new facilities. Is that correct?

Mr. MORRILL. It is with respect to the television. With respect to radio, we are working—both sides are required—new stations as well as——

Senator HARTKE. There is only one criterion for both radio and television now. But since only 60 percent of the national population is covered by public radio—I think your figures said that even less than that perhaps—anyway, since only 60 percent of the national population is covered by public radio, shouldn't priority be given to extending first radio service coverage by the way of new radio station construction?

Mr. MORRILL. On the radio side, there is priority being given to both the activation of new stations and increasing the power output of those stations that now are really too low powered to reach their audience and both are required to get to the goal of 80 percent.

I might add that we have one set of criteria in current authorizing legislation. We have in the regulations separate priorities for television and radio. In the case of television, it is to give emphasis to the improvement of existing stations. In the case of radio, the first priority is to help activate new stations and bring low-powered stations up to a serviceable capability. So we find that we can and are satisfactorily achieving the purpose of meeting needs for radio and for television with one set of criteria, by spelling them out in regulations where changing needs and changing circumstances can more easily be reflected.

Senator HARTKE. Let me ask you whether or not there is such a thing as what's called social cost-benefit ratio in this criteria?

Mr. CAMERON. I'm sure there is, sir, but I'm not enough of a sociologist to give an objective measurement to it.

Senator HARTKE. Well, there's a well-defined study that's been done by the Center for Democratic Studies in Santa Barbara which demonstrates what is the social cost of this Nation of compounding its population. Something is going to have to be done to encourage that population to disperse or the ultimate end result is going to be extremely costly.

Now, after all, we are an urban population today and it doesn't take an expert in sociology to know that it's in the urban area where the problems are. When I was born, we were still basically a rural population; 65 percent of the people lived in the small rural community. Eighty percent now live in metropolitan areas and the cities are collapsing, rotting from the inside, and slowly spreading out like a cancer, eating up the country to the point where the Federal Government has just had to take a first step bail-out New York City. Anyone who thinks that was a temporary situation is just absolutely wrong.

In other words, you come to what it would cost proportionately to bring public broadcasting to this other population out there and maybe the cost is much less than not bringing it out there.

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Mr. MORRILL. I was going to add, Mr. Chairman, although we have moved into a somewhat different area, recent evidence is beginning to suggest that in terms of where new plants are locating and other economic activity that attract people, that the moderate-sized cities are beginning to do rather well in competition with urban areas and I think for some of the reasons you cite that's a desirable trend. I'm not sure that where people live is going to be fundamentally determined by these supportive services, although they are important to the quality of life. I suspect the economic conditions are going to drive that primarily, but there does seem to be some movement. But, indeed, in the moderate-sized cities, we are doing a job in terms of getting some capacity in place in those locations.

Senator HARTKE. I don't want to go on with this theory, but I want you to think about it because you're in an area where some original thinking in this area ought to be coming forth.

Let me say to you, I have seven young children, and one of the greatest criticisms they have is all the emphasis in this whole society is on economics. For example, you destroy all the white water canoeing in the East—they are great white water canoe people. They'd like to go out with Burt Reynolds—not centerfold either—I'm talking about down river.

Moving on then—on what basis has HEW allocated past facilities funds between radio and television? What allocation is contemplated in the future in this regard?

Mr. CAMERON. Radio was first authorized to be funded in 1967, so, of course, it has been much slower catching up with allocations that go to television. This year we have a rough estimate that based on the applications on hand that approximately 2.8 of the 12.5 million would go to the radio, leaving the remainder for television grants.

Mr. MORRILL. In that allocation, roughly about 25 percent.

Senator HARTKE. 2.8 of what?

Mr. MORRILL. Out of a total $12-plus million.

Senator HARTKE. How do you get the $12 million?

Mr. CAMERON. That's the appropriations for this year, Mr. Chairman. $12,500,000 is the appropriations.

Senator HARTKE. What about the future?

Mr. CAMERON. We are encouraging more and better applications from radio people interested in radio. We really have a dearth of good applications up to this point in radio. We work with our friends in the industry to encourage them also to work with prospective applicants, but we thus far are not getting the numbers of good applications in radio that we do in television.

Senator HARTKE. The present law requires consultation and close cooperation between HEW and FCC in the administration of the facilities program. How has this requirement, this statutory requirement, been implemented in actual practice?

Mr. CAMERON. We don't approve applications to be submitted as accepted for and filing in the Federal Register until the Federal Communications Commission has indicated that it also is ready to accept the same application for filing in the event that FCC approval is required. All our applications don't have to be acted upon by the FCC.

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Senator HARTKE. Are they acted upon separately? In other words, in 1–2 fashion, or is there really any consultation? Do you discuss this with the people at FCC? Do you have meetings with them regularly?

Mr. CAMERON. We are constantly in touch with them by telephone and we also have a group of advisers come in and provide input on all the applications that we are considering. People from the radio unit of the FCC come when we are considering radio and people from the television unit come when we are considering television. We also rely on them heavily for their approval of environmental impact statements whenever such is required. We don't approve—in the final analysis, we don't approve grants if action by the FCC is required until they have made an approval.

Senator HARTKE. Does HEW consult with the CPB and other broadcasting entities in administering the facilities program?

Mr. CAMERON. The answer is yes. Would you like some explanation of that?

Senator HARTKE. Yes.

Mr. CAMERON. I mentioned the group of advisers that we have in the case of radio and television. For radio, of course, the appropriations for public broadcast radio units and its engineering unit are represented, also, the National Public Radio, the Association of Public Radio Stations, the National Association of Educational Broadcasters, the Joint Council of Educational Technology, the Civil Rights unit of HEW. We discuss every application in radio.

We do the same thing in television except substituting the Public Broadcasting Service for the National Public Radio and the Association of Public Radio Services. So we also get an indication from the CPB whenever it makes a planning grant in radio.

These data that I furnished you a bit ago on cost were put together in consultation with all the groups that I just mentioned so that we get some semblance of agreement. However, they were done some 6 or 8 months ago.

Senator HARTKE. Let me ask you, this whole program is administered out of the Office of Education, right?

Mr. MORRILL. Yes, sir.

Senator HARTKE. Is there any any reason for that? Why isn't the program administered out of the Office of the Secretary? Does it have a lower priority?

Mr. MORRILL. No; most of our programs are vested in the agency, be it Education or Social Security Administration or what have you, with operating activities at that level, rather than in the Office of the Secretary. There are some special programs which either the Congress from time to time or special circumstances may put temporarily in the office of the Secretary, but basically not. It's within the operating agency where the administration is done across the board for HEW activities. So it does not connote a priority feeling or reaction on the Department's part.

Senator HARTKE. Let me say to you, if you had the Office of Education upgraded to a secretarial position, wouldn't it give you a little bit more authority and a higher priority in this field?

Mr. MORRILL. Well, I know that's a subject that's debated from time to time, Mr. Chairman. I think that creates with it some other

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kinds of problems. From the job that I am in, I see more often the interdiction between the various parts of the Department, including Education and its other elements, and it would, if so designed, nearly force the kind of coordination that is inevitably involved to a higher level and I think that has less desirable features than being able to pull these human resources interrelated activities together.

Senator HARTKE. What do you get out of health, for example, out of the facilities of HEW, or out of welfare?

Mr. MORRILL. Well, I was going to say, this program is a case in point where the user interest for a central facility are indeed across the whole gamut of human resource activities, health as well as education interested in both television and broadcasting facilities. But beyond that, one can cite other examples. Take one of the very large education programs in student assistance, the BEOGS grant program involves means testing the population, how much income is going to be counted and how does one do that and if one is applying a means test as the Department does in very many of its programs. There ought to be some consistency of approach to the public of this country on how we treat them with respect to income assets and other such considerations.

Senator HARTKE. I don't like means tests to begin with. So you're talking to the wrong guy.

Mr. MORRILL. But those illustrations like that of the interaction between the other programs comes up time and again.

Senator HARTKE. The facilities grants are made at the end of every year, is that right?

Mr. CAMERON. Yes, sir.

Senator HARTKE. Why wouldn't it be more expeditious to grant those during the year just as you approve them? Doesn't that delay them?

Mr. CAMERON. Our office of general counsel has indicated that each applicant has to be in competition with others on an equal basis and, therefore, it's necessary that we establish one or more deadlines. There would be nothing to prohibit us having more than one deadline under that ruling.

Senator HARTKE. Why couldn't you do this on a continuous basis every month or 2 months? In other words, have a continuing operation or movement on the competition. Put them into series and rounds. The date for applications is such and such a date and the decision will be made on April 1—not an April fool's day decision either—but on April 1 and July 1 and so forth.

Mr. MORRILL. I would guess, Mr. Chairman, to try and do it that frequently, to the extent that you're trying in a competitive way to pick the highest priority one, that that frequent an interval would not permit a sensible consideration.

Senator HARTKE. What about 6 months?

Mr. CAMERON. It could be done every 6 months, according to the present legal opinion that we have. Each one that is considered would be following a cutoff date for receipt of new applications.

Senator HARTKE. One thing about us lawyers, there are never any fixed opinions. Why don't you talk to him again? I bet he will give you a different one.

Mr. CAMERON. I'll be glad to.

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Senator HARTKE. That's the only thing about lawyers. There's no consistency, even in the same line. He just didn't consider the fact that Congress wanted a little bit more speed.

Now then, on the demonstration programs, Mr. Morrill, can you give the subcommittee some specifics with respect to kinds of projects to be funded through the proposed demonstration program? What are the basic goals and the objectives of this program?

Mr. MORRILL. Yes; Mr. Chairman, there's a number of possibilities that could be used or might possibly come up in the applications through either satellite services, conceivably cable, whether they be for programing such as open universities, adult education, or the ability to conduct continuing education for physicians located in rural areas, for example, consultations in remote areas to get a linkage between a large major hospital and its expertise and a physician or perhaps even a paraprofessional operating in a remote area. Those kinds of applications are illustrative. We can provide for the committee a little more detailed statement about the strategy and the possibilities here. They are of the kind that I have cited.

Senator HARTKE. Look, I'm very interested in this, extremely interested. I'd like to have that material submitted for the record.

Mr. MORRILL. Yes, sir.

Senator HARTKE. And if it's too voluminous we will submit it for the record by reference, but I'd like to see some of that in rather substantial detail.

Mr. MORRILL. We have prepared about a four-page summary and we can expand on it as the committee desires.

[The summary follows:]

DEMONSTRATION PLAN

PROGRAMMATIC GOALS

The specific goal of the Telecommunications Demonstration Program is to promote the application of innovative and cost-effective non-broadcast telecommunications facilities and services for the transmission, distribution, and delivery of health, education, and social service information. The demonstrations will be responsive to the needs and initiatives of the educational, health, and other social service communities and are intended to aid in the conceptualization, experimentation, and development of telecommunications service systems which meet socially defined needs in the most effective and efficient way. The goal, in its most general terms, is to assist these communities to make advantageous use of modern telecommunications to provide more and better services to more people at less cost.

STRATEGY

The strategy adopted for achieving these goals has several conceptual bases:

a. The selection of particular applications and program content should be firmly in the hands of the ultimate users themselves, rather than the Federal Government or other central authority.

b. Minimum Federal expenditures can provide the critical encouragement and support needed by local, regional, and national social service entities who are willing and able to be partially self-funded initially and eventually completely self-funded.

c. To the extent that demonstrated applications adequately and advantageously fill the needs of the social service community, these applications will be likely to be adopted by them on cost-effective grounds.

d. There are national payoffs and values in terms of shareable knowledge and experience to be derived from the experimentation, demonstration, and evaluation of local applications.

e. There are certain large-scale applications, such as satellite and cable systems, where an aggregation of users needs and resources into a coherent

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market must take place before such applications become feasible. This is an especially appropriate area for Federal encouragement and risk-sharing since the benefits are to the broad general public; whereas, without Federal help, no single entity or group would be able or expected to bear the burden.

f. The program will support the planning, development, and acquisition or leasing of facilities and equipment necessary to the demonstration. Programming content will not be supported by this program, but could be separately funded under other existing or forthcoming agency programs.

IMMEDIATE OBJECTIVES

a. Increase understanding of social service needs for information communication.

b. Encourage technological development useful to social service needs.

c. Make possible actual innovative applications of technology.

d. Assist local initiators in realizing their plans.

e. Evaluate not only individual projects but also their implications for similar services anywhere in the country.

f. Disseminate awareness and specific information about the demonstrations to all interested parties.

g. Stimulate cooperation and sharing among institutions both within disciplines and across desciplines.

ADMINISTRATION REGULATIONS

Grants will be administered by the Office of Telecommunications Policy, Office of the Assistant Secretary for Planning and Evaluation, Office of the Secretary, in accordance with established Office of the Secretary procedures. These procedures call for a proposal evaluation and selection by a committee of agency and outside community experts. In addition, grant awards will be subject to certain regulations reflecting the language of the authorization legislation and the criteria—specific and unique to this program—upon which grant applications will be judged.

Essentially, these criteria will call for:

a. Evidence of strong local commitment to the proposed project. Examples of such evidence would be meaningful participation by local institution, government agencies, citizen groups, etc. Meaningful participation would include contributions in kind or in funds by such agencies.

b. Innovative quality of methods and techniques, for example, the application of technologies rarely or not previously applied to specific social services, or the use of existing technologies in some new way. Emphasis will be on what the country can *learn* from a project.

c. Technical and managerial expertise and capability of the applicant.

d. Designed mechanism to assure the responsiveness of project services to local needs and inputs.

e. Local administrative control of the project by the applicant himself.

f. Relevance to the health, education, and other responsibilities of the Department.

g. Potential experience transferability to other potential users.

h. Adeqaute provision for evaluation of results of the demonstration and for documentation wihch will facilitate both outside evaluation and dissemination.

i. Expected cost-effectiveness in terms of experimental results and knowledge gained of broad national interest in return for Federal funds granted.

Senator HARTKE. I will take a look at the summary, but I imagine I would want something more detailed than that as to what you really want to do in this field. I think there are so many areas where you could provide a valuable service to the society and to the communities. I'm the author of the Adult Education Act, not alone for continuing education but for supplemental education. At the present time there are in some communities adult education programs inside industrial plants which are being phased out for the simple reason that they are not accepting applicants unless they have a high school diploma. We have a real crisis in education in terms of a high drop-

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out rate. This demonstrations program could possibly deal substantially with that problem. I don't know. I know you don't know and I'm not asking you to answer these questions. But I would hope that you would move into these fields and deal with them. I would rather have you fail than not make the effort. A demonstrations program alone is not going to solve all these problems, but you at HEW should be addressing them with all your resources.

Mr. MORRILL. We are of that view too, Mr. Chairman. This is an issue that I have been personally interested in myself for about 4 or 5 years, looking at ways in which we can bring about these new applications and introduce ideas. It's probably a threefold problem. One is to discover what those potentials are, and that's just creativity that is required there. Part of the problem is to begin to develop some kind of sense among the users who are ultimately going to apply the technologies. I think we have learned from some experiences that if we just take the technology out in the field and say there it is, the user does not spend much time thinking about how they might apply it, and you can get some bad situations that never get in the schoolhouses, closets full of audio visual equipment that just didn't work out bears some evidence to that. We have been working on user consortiums to try to define the needs more clearly from their standpoint. We then get into the question of what's the most effective way. What can you do for the dollars you've got, and our feeling is that in many of these cases you can do a better job with the same amount of money that's now going in the system. We know there's about $1 billion out there spent annually on audio visual activities and I think the potentials are here that should well be explored and if they are they will pay for themselves.

Senator HARTKE. Let me just say to you that I think $1 million is far too little for the program you envision. I just think you need more than $1 million.

Mr. MORRILL. Well, one often has to start a little modestly. There is a lot of money being spent now for less creative, less effective, less efficient ways to do the same jobs and one needs to move it in the direction of making use of what's there.

Senator HARTKE. All right. The present law establishing the facilities programs provides that no more than 8.5 percent of any year's appropriations may be distributed for any projects within any one State. What is the Department's view as to whether or not this limitation should be applied to demonstration program grants?

Mr. MORRILL. We would recommend that it not be applied to the demonstration grants just by the nature of them.

Senator HARTKE. Do either one of the bills in your opinion impose such limitation?

Mr. MORRILL. No, they do not.

Senator HARTKE. On instructional television fixed service inquiries have been made to the subcommittee concerning the inclusion of instructional television fixed services in the facilities program. Is the instructional television fixed service presently included in the program?

Mr. MORRILL. I believe it is.

Mr. HUPE. Mr. Chairman, in the demonstration authority the ITFS system would be one of the technologies.

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Mr. MORRILL. It is not, Mr. Chairman, on the facilities side. It could be included in the demonstration side and we are doing now some work in cooperation with others looking at those possibilities.

Senator HARTKE. On the question of full funding of the log recording equipment for section 399 compliance, log recording equipment is essential for public broadcasting stations' compliance with section 399 of the act pertaining to discussion of public issues. Isn't that right?

Mr. CAMERON. Yes, sir.

Senator HARKE. This necessary equipment is relatively expensive, isn't that true too, particularly with respect to radio station resources? It cost about $3,000 or $6,000 a unit. Given these factors, would HEW oppose giving the Secretary the authority to fund up to the full cost of such equipment depending upon the financial needs and limits of the particular applicant?

Mr. CAMERON. Yes, sir.

Senator HARTKE. You would want it or you would not want it?

Mr. CAMERON. We would oppose 100 percent.

Senator HARTKE. You would oppose that? You would oppose the discretional authority for the Secretary?

Mr. CAMERON. Yes, sir.

Senator HARTKE. Why?

Mr. CAMERON. The figure that you quoted as a cost would be for broadcast quality recording equipment. Such sophisticated equipment would not be required to meet the requirements of the act of carrying for 60 days an audio record of public issues programs. If the equipment is used solely for logging purposes it doesn't need to be that expensive.

Senator HARTKE. I'm asking you that. In other words, just the authority to pay, giving the Secretary discretion to pay a portion of the cost.

Mr. CAMERON. A portion? We already have that authority, sir. We can pay up to 75 percent of the cost of log recorders at the present time.

Senator HARTKE. All right. I will come back to that later. You note some concern with respect to inclusion of reception apparatus in the term "construction" as used to define eligible facilities applications. It's our understanding that this is relately solely to possible funding for special receivers for programing to the handicapped. The primary examples are radio subcarrier receivers to permit special sideband reading programs for the blind. Aren't these worthwhile uses of public broadcasting that should receive some facilities program support?

Mr. CAMERON. These are worthwhile activities. It's our feeling, however, that once we get into the funding of any type reception equipment other than that necessary for auditing signals, we open the program up to where the demands for moneys would be so great that you never could come close to meeting the needs. I would personally support the Federal Government investing in such reception equipment, but I don't think the broadcast facilities program is the appropriate authority through which to do it.

Senator HARKE. All right. I want to thank you gentlemen for coming and being so responsive.

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Mr. MORRILL. Thank you, Mr. Chairman.

Senator HARTKE. The next witnesses will be a panel: Mr. Henry Loomis, president, Corporation for Public Broadcasting; Mr. Hartford N. Gunn, Jr., vice chairman, board of governors, Public Broadcasting Service; and Mr. Matthew B. Coffey, president, Association of Public Radio Stations.

Go right ahead.

STATEMENTS OF HENRY LOOMIS, PRESIDENT, CORPORATION FOR PUBLIC BROADCASTING, HARTFORD N. GUNN, JR., VICE CHAIRMAN, BOARD OF GOVERNORS, PUBLIC BROADCASTING SERVICE; AND MATTHEW B. COFFEY, PRESIDENT, ASSOCIATION OF PUBLIC RADIO STATIONS

Mr. LOOMIS. Thank you, Mr. Chairman.

We would like to thank the committee, Senator Hartke, for permitting us to appear before you this morning on S. 1257 and H.R. 9630—the Telecommunications Facilities and Demonstration Act of 1975. With me today are Hartford Gunn, vice chairman of PBS, and Matthew Coffey, president of APRS.

We have earlier taken the opportunity to go on record urging passage of H.R. 9630 in lieu of S. 1257. In our jointly signed letter to Senator Magnuson of March 12, we detailed a number of specific reasons why we felt the Senate should adopt the House-passed bill. I would like to take a few minutes outlining the key features of H.R. 9630 which are of vital concern to us in the overall development of public broadcasting.

As such, CPB, PBS, and APRS all have a close relationship with DHEW—a relationship which has existed since the inception of CPB. For the Public Broadcasting Act of 1967, which authorized the establishment of CPB, amended the Educational Television Facilities Act of 1962 to include public radio and set the basis for continuing cooperation between the corporation and DHEW.

The Public Broadcasting Act of 1967 with its expansion of the facilities act, reflects Congress' commitment to help establish a strong, effective, and independent public broadcasting system in the United States. The newly-passed Financing Act of 1975—Public Law 94–192—indicates renewed commitment to this goal. As a companion piece of legislation, H.R. 9630, offers further evidence of the congressional commitment, in that it provides for the continued development of the technical capacity which is essential to public broadcasting.

First, H.R. 9630 limits the authorization to 1 year instead of the 5 years requested in S. 1257. While we believe a multiyear authorization will be needed subsequently, this 1-year extension will allow the Congress time to study the best form that long-range legislation should take in this area.

Second, H.R. 9630 differs from S. 1257 in that its authorization level is raised from $7 million to $30 million for fiscal year 1977, plus $1 million for the telecommunications demonstration program. Of course, the bill also provides for funding during this transitional period where the fiscal year is being changed to September 30.

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For public television, CPB has conducted an extensive study to assess the minimum needs and costs to upgrade the facilities of public television stations in the United States and its territories. The results of this study show the total needs, based on a minimum level of capability for television equal $176 million. As pointed out, this study was done in cooperation with PBS and they agree with these figures.

In radio, the corporation's preliminary estimates indicate a dollar requirement of $76 million. This total sum for radio and television will have to be matched, of course, with at least $84 million in non-Federal funds. I should also add that the radio people participated with us in this survey and they also agree with that figure.

H.R. 9630 also gives new authority to the Office of the Secretary of DHEW "for the support of demonstrations in telecommunications technologies. . ." This new dimension of support for various telecommunications technologies, through demonstration grants and contracts, could provide a valuable service in proving experimental opportunities in technologies which are already upon us. We believe it is also wise to keep these demonstration funds separate from the facilities funds. Such a separate authorization will provide clearer direction and better review than would be the case if the programs were joined together.

H.R. 9630 is also preferable to S. 1257 in that it would establish separate criteria for grants to radio and television stations. The basic reason for this change is that radio is behind in its development, and activation of stations in radio is their highest priority, while in television, expansion, and improvement of existing stations is the highest priority.

Another difference in the two bills: H.R. 9630 would expand the definition of the term "construction" to include radio subcarrier receivers for the first time. Mr. Coffey can give you more details on what this new service could mean for radio if you wish.

Another feature of H.R. 9630 would assist radio and television stations in complying with newly-amended section 399(b)(2), of the Public Broadcasting Act, which requires that public radio and television stations must record all controversial programing and maintain tapes of that programing for 60 days. This change in the authorizing legislation would allow the Secretary of DHEW to reimburse the local station for the entire cost of the log recorder equipment now needed as a result of this amendment. This change would simply allow local stations who have already received a facilities grant to reapply for equipment they would not have otherwise needed.

In closing, I would like to stress that the funds available under S. 1257 are totally inadequate if we are to do the job at hand: extend the present facilities program, whose authorization expires on June 30, and initiate a future-oriented demonstration program, which holds great promise for public broadcasting. I might point out Senator Hartke, that your mathematics as demonstrated previously, we agree with completely. H.R. 9630, on the other hand, would provide a realistic start at meeting these needs and would be an honest effort in achieving the purposes set out in the bill.

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As I said earlier, Senator Hartke, the facilities program is essential to public broadcasting. The finest programs that we can offer—and we do think we offer the American people some very good programs—are not meeting their intended purpose if we can't deliver a first-class, quality signal to all the American people. At present, we are a long way from providing that kind of service. H.R. 9630 can provide a crucial key to developing the potential that remains unfulfilled.

Senator HARTKE. Thank you, Mr. Loomis.

Let me ask you, do you have the type of cooperation from the Department that you really think you should have in regard to the recommendations for improving the facilities program?

Mr. LOOMIS. There's very close coordination between us. There is a thorough sharing of information. In the past the amount has been so small compared to the needs that there have been differences of opinion between priorities of equally or almost equal applicants, but those have been minor. I think, by and large, the coordination and cooperation has been excellent.

Senator HARTKE. All right. I don't have any other questions. Do any of you wish to make further comments?

Mr. COFFEY. Yes, Mr. Chairman, just to clarify this issue of the SCA radio receiver. There are approximately 7 million blind people in this country and since 1969 public radio has started to develop a reading service on the side band of the FM. The reading service is just that. They read the daily newspaper. They read things that you and I take for granted in our daily lives. So that blind people can have current information that you and I use every day.

Just to give you an example, here in Washington, for instance, there was an organization formed to use the subcarrier frequency for WETA-FM. That organization now runs 19 hours a day, seven days a week, a reading service on specially tuned receivers that the station owns and places in the homes of the blind people. The receivers have to be specifically designed for the local station so that at the present time their cost tends to be in the area of about $70. This is met here in Washington, for instance, WETA has gotten two grants from the Cafritz Foundation for the purpose of purchasing receivers, but in fact they have only been able to purchase around 800 receivers when they estimate there are approximately 8,000 people in this market that could be using this service.

So what we have proposed here is an opportunity to allow grants like the Cafritz grant to be matched so that more receivers can become available. This is the only type of reception equipment anticipated in this amendment and I think a worthwhile and significant service for public radio.

Senator HARTKE. All right. I would point out to you that you might take notice of a new development by, I believe, the University of Colorado. They have developed an artificial eye which, as I understand it, can give blind people the ability to discern the difference in shades. I understand they believe they are just a very few steps away from the development of full artificial eyes.

All right. Now about the deaf.

Mr. GUNN. We are indeed very concerned with that, but our development in that area is not as far advanced as radio's is for the

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poeple who are blind. So our need right now is to continue our development in this area. We hope to have a presentation as it would affect the people with hearing impairment in future years.

I would like to make a couple of additional points, however. Secretary Morrill this morning suggested that he did not believe that this program is the appropriate mechanism to provide support for what is clearly an ongoing operational expense for public broadcasting. I'd like to say in response to that that I think exactly the opposite, that this program is clearly meant to provide for capital funding, but most of our stations in undertaking capital funding do so through separate funding mechanisms. They do not use and should not use their operating funds for this purpose. Any diversion of operating moneys to support the construction of new facilities or capital items that are necessary for station operation will inevitably mean a reduction in local programing as well as some reduction in support for national programing. We think this would be most unfortunate. It was not envisioned I think by CPB or the Public Television Stations that the community service grant operating funds would be used in any material way for the support of capital items. Rather, those moneys were designed to provide operating support for the stations to help them develop their fund raising and local support mechanisms, to help them improve their local programing, and to help assist in funding national programs.

In any case, I'm sure it was certainly not envisioned by any of us that we would want to go into the operating funds of the system, either the Public Broadcasting Financing Act funding or the local stations funding, for this purpose until such time as public television is on a par essentially with commercial broadcasting this country, both as to coverage and as to quality of picture and sound.

So I would like to disagree completely with Mr. Morrill when he suggests we should use the operating funds of the system to support a capital plant. It's an entirely separate undertaking and should be so funded, in my opinion, at the very least until we have a system that is comparable in quality and coverage to the commercial system in this country.

Senator HARTKE. All right. Thank you. Senator Stevens is unable to attend the hearing today because he's chairing the Subcommittee on Appropriations. He has asked that certain questions be submitted to Mr. Morrill and Mr. Loomis for response. Those questions and answers will be inserted in the record at this point in the proceedings.

[The questions follow:]

QUESTIONS OF SENATOR STEVENS FOR MR. MORRILL

Question 1. I have noted that this legislation reaffirms the intent of Congress that new facilities continue to be the top priority for grant applications. In view of this, would you agree that in evaluating applications for new facilities, H.E.W. ought to give priority to those applicants which represent communities in which either there is no existing radio or television service of any type, or extremely limited existing service? In other words, do you feel that providing the first source of radio or television service should take priority over providing alternative service to an area with existing commercial facilities?

Answer. HEW does not look upon noncommercial educational television nor radio as alternatives to commercial programming. We believe there are distinct and unique functions that noncommercial educational stations should serve and that quality ETV or ER programming should be made available to as

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large a portion of the total population as can be provided on a cost effective basis.

As we study the overall noncommercial telecommunications needs of the Nation we find that although theoretically 65 percent of the population reside within the coverage area of an educational radio station and 80 percent reside within the range of an educational television station, FM and UHF difficulties lower the percentage of the population actually able to receive acceptable signals to about 60 percent for radio and 65 percent for ETV.

Our major thrust for radio, therefore, should be to fully activate stations in unserved areas and to expand and upgrade existing low-powered station so they can provide community-wide services.

Some individual noncommercial educational television station activations may still be cost-effective in moderately dense population areas. However, we believe our major emphasis for television for the next few years should be the upgrading of existing facilities to achieve acceptable signals in served areas and to extend programming to less dense populations outside the range of existing stations via alternative technologies. A major objective of the telecommunications demonstrations program for which we are seeking authority would be to determine cost effective means of serving people not having direct access to currently available open broadcast noncommercial educational television and/or radio.

Question 2. I have noted that H.E.W. will have a new demonstration authority under this legislation. Would demonstration projects under this section include the use of satellite technology for dispensing programming?

Answer. It is very definitely contemplated that in the administration of the requested new demonstration authority one or more projects on the utilization of satellite technology for dispensing programming will be included.

Question 3. I have also noted that the definitions under the construction grants section of this program have been expanded to include some satellite equipment. What type of satellite equipment would and would not be covered under this proposed legislation for construction monies?

Answer. Satellite interconnection of public television and radio stations, to a large extent replacing the present AT&T cable interconnections, is imminent. Although the definition of construction in HR 9630 makes specific reference only to satellite transceivers in the examples given of transmission and reception apparatus than could be funded, many of the other items listed are part of the Earth Station Equipment needed to utilize satellite interconnections. These items are microwave equipment, boosters, repeaters and towers (to hold, microwave dishes and antenna). Others are eligible under our current Regulations and we contemplate will continue to be eligible under revised Regulations.

Questions of Senator Stevens for Mr. Loomis

Question 1. Mr. Loomis, what progress is being made in getting PBS Interconnect Service to Alaska?

Answer. The interconnect for PBS member stations in Alaska will be accomplished when the satellite interconnection project is in operation. This is expected to occur in mid-to-late 1978. Should the FCC hold back approval of the public broadcasting satellite concept, these dates would slip.

Question 2. Alaska currently has two 10 watt public radio stations located in Juneau and Ketchikan, with plans to have two more located in Wrangell and Petersburg. While these are small stations, power-wise, they are strong enough to completely cover these communities, which are among the larger ones in the state. It is my understanding that your organization is resisting giving CPB qualification to these stations due to small wattage involved. I have difficulty understanding this situation. Please explain your reasoning in this regard and what plans you are formulating to modify criteria used in CPB qualifications to fit the unique circumstances in Alaska.

Answer. The Corporation has since 1969 had a "Policy for Public Radio Station Assistance," which established a set of priorities for the expenditure of CPB funds. This Policy outlines the minimum standards for a station which can effectively serve a local community. The Policy was designed in consultation with stations throughout the country and has been accepted by broadcasters and the CPB Board as the best method by which CPB can effectively distribute its limited financial resources for radio.

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The CPB criteria specifically exclude 10 watt Class D stations. Since 1946, when the FCC first authorized Class D, that class has been considered a beginners class with every expectation that the licensee would upgrade and improve its technical capacity to Class A, B or C status. Of the 890 non-commercial licensees, over half of them presently are Class D. Many of the Class A, B and C stations were once Class D. The FCC exempts Class D stations from certain technical and regulatory requirements which must be adhered to by other licensees. For example, Class D stations have lower engineering standards, are not required under the recent ruling to conduct community ascertainment studies and are exempt from a number of other filing and technical requirements. Typically, Class D stations reach a one mile contour where Class C stations reach up to 60 miles. Technically, a 10 watt signal produces a very poor quality stereo broadcasting signal.

Recently, the FCC has issued a notice of proposed amendments to non-commercial FM broadcasting rules, in their docket #20735 of March 17, 1976, in which they plan to consider "the standards governing the classes of educational stations . . . and treatment of 10 watt stations. It is conceivable that in this inquiry Class D licenses will be substantially modified or eliminated in favor of Class A, B and C licenses.

Alaska and its communications needs present unique circumstances and the Corporation has in the past and will continue in the future to work with stations in Alaska to create a situation where stations suiting special Alaskan circumstances can qualify for CPB support. Our policy specifically states that "The Corporation will make every effort to recognize meritorious situations, and, when appropriate, make exceptions to its Policy for Public Radio Station Assistance upon the written request of an authorized station official." In the case of areas in Alaska where high power is not necessary for service to the entire community, CPB would certainly consider applications from Class A stations which operate at lower than our minimum power specifications, but otherwise meet the CPB criteria and are governed by all FCC regulations pertaining to full service stations.

Question 3. Mr. Loomis, I have reviewed your plans to operate a communications satellite system to provide television programming to member stations. Do you have any similar plans to introduce radio programming via satellite?

Answer. As a part of the overall satellite plan for public broadcasting, CPB is studying a number of different configuratings to provide radio interconnection for NPR member stations. At least two of these configurations look most promising and we plan to proceed forward with actual tests of both approaches. Until the time when a radio interconnection system is operational, we plan to pursue with RCA Global Communications a special tariff for the NPR member stations in Alaska. We have had preliminary discussions with RCA, and will shortly request a formal tariff to be filed by RCA for a potential NPR Alaska interconnection for both Class A and Class C circuits. Once the tariff is filed, we will review it, and determine the feasibility of such additional funding.

Question 4. Mr. Loomis, in regards to this television satellite plan, I understand that for Alaskan stations to partake they would have to buy some equipment to establish a tape delay center at each station, to counter the time differences involved, which would be prohibitively expensive. Are you making plans to provide these tapes on a "real time basis" so that Stations in Alaska and Hawaii can partake in this project?

Answer. We are cognizant of the difficulty in providing "real time" service to the three Alaska stations. To do so on a full time basis would require either an additional satellite transponder, or videotape recording equipment at each station. We are looking at an additional alternative which provides "real time" service during "prime time" only. This would involve the use of the east coast time zone transponder and additional operational activity at PBS. All of these alternatives are being studied and at this time, no decision has been reached, but the problem of costs to be incurred due to this additional delay requirement is being considered. As you know, the viability of the satellite system is based on keeping costs below the present and predicted terrestrial system costs. Therefore, each additional major cost item is being carefully reviewed prior to any resolution of the problem area.

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Senator HARTKE. Our last witness is Mr. Earl W. Haydt, regional manager, Pennsylvania Systems, American Television and Communication Corp.; and he's accompanied by Mr. John V. Gault, vice president.

STATEMENT OF EARL W. HAYDT, REGIONAL MANAGER, PENNSYLVANIA SYSTEMS, AMERICAN TELEVISION AND COMMUNICATIONS CORP.; ACCOMPANIED BY JOHN V. GAULT, VICE PRESIDENT

Mr. HAYDT. Mr. Chairman and members of the subcommittee; my name is Earl Haydt and accompanying me is John Gault, vice president of Corporate Development, American Television and Communications Corp. [ATC]. I am a regional manager for ATC—my region is comprised of ATC's four cable television systems in the Commonwealth of Pennsylvania. Prior to becoming regional manager, I was the general manager of Berks and Suburban TV Cable Companies, ATC subsidiaries, a position I held since 1966.

I am here today to give my support to S. 1257 and H.R. 9630, legislation to extend the HEW educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technology for the distribution of health, educational, and social service information. As regional manager of the ATC's Pennsylvania's cable television systems which includes the Berks TV Cable Co. in Reading, Pa., I have experienced in my service area the need for such demonstrations programs and have already shown the cable system's ability to delivery such services. During these hearings, I would like to further explore the use of cable for such demonstrations and discuss the continuing need for these programs.

I believe broadcast television, because of its ability to reach large audiences, can and should play an important role in the dissemination of public health and welfare information. However, I feel that in this instance the potential of broadcast media is limited because of its major thrust to provide a mass media service to the public. Cable television can be far more specific both in program content and geographic dissemination of materials. For these reasons, I strongly recommend that the major thrust of the proposed legislation concerning these ongoing demonstration programs be specifically directed to the cable television industry.

Cable television, as its name and physical makeup implies, is a localized communications medium. Add to the localization a multiplicity of channels, both public and private, as well as two-way capability and you have all the components necessary for an active community communication tool which can be used to meet specific communication needs within the community it serves—be it urban. try lies largely untapped. The legislation being considered here to-suburban or rural. However, cable technology is much further advanced than is its application, therefore the potential of the indusday could prove to be an important factor in the development of this untapped potential.

Berks Suburban Cable began operating in the city of Reading in 1963 as a five channel cable system. When I joined the company as

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manager in 1966, the system had 800 subscribers and offered strictly reception service of broadcast signals. Today under the direction of AC, the system has over 34,000 subscribers in 19 contiguous franchise areas and is now a 12 channel cable TV service. We also utilize two midband channels for two-way audio video communications for discrete delivery of special services. One of the unique services it offers is local programing. The system averages 55 hours of locally produced programing per week often running on as many as three cable channels simultaneously. In addition, there are numerous hours of programing on the midband channels.

Although we, as a cable company, maintain studio facilities for public access productions, most of the programing produced locally is produced by entities within the communities we serve, that is, schools, churches, hospitals, colleges, et cetera. All of these entities have made a commitment to the concept of community communication through the purchase of their own production equipment. A financial commitment of this nature is indicative of a need—in this case, a need to communicate. Programing produced by these entities is varied in nature. There are programs of general interest, programs directed at specific audiences; that is, constitutents of a particular school district, the black community, the Spanish community, et cetera. There are programs which invite viewer participation via telephone. On the midband channels there are two-way teleconferences, delivery of instructional aids to schools, social experiments in the delivery of services to specific groups such as the elderly, sharing of resources by local hospitals and health maintenance agencies, et cetera. Each user of the system invariably becomes an innovator in developing new uses for the system which will facilitate learning, sharing, understanding. This is total community communications. It is not limtied to Berks Cable and the communities it serves, it merely demonstrates the fact that communication needs do exist and that existing cable technology can meet these needs if the proper cooperative atmosphere is developed between th cable operator and his community.

To further support my contention that cable television's telecommunications technology is a proper vehicle for distribution of health, education, and public or social service information I would like to cite some specific examples. "Life in the Dark," an award-winning program was produced by a group of imaginative blind children which explained and demonstrated various appliances such as the Braille typewriter and an optical reader that translated written information into tactile information. This cable television program was an educational experience for the blind children who produced it and for sighted persons in the community who viewed it. If television programs by the blind or for the blind stretches your imagination, think of the possibilities available on the FM band of a cable system where multiple channels of audio information could be available on demand for a whole spectrum of pinpointed services too specialized for broadcast dissemination. Similarly, a deaf video workshop for the production of visual programing by and for the hearing impaired utilized cable television to bridge the silence that separates the world of the deaf from those who hear. The aged have also received special attention on our cable system through an NSF

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funded projcet developed by the Alternate Media Center of New York University in conjunction with the ATC and Berks Cable. This project is exploring the financial, technical, and human feasibility of delivering services vital to the well-being of the elderly in our community. Beyond this specialized project there is an ongoing project by a local hospital to use cable television to provide health maintenance information to the public of all ages.

At present, the educational uses of cable are in the hands of local educators who daily use the cable system for interschool and intraschool use as well as for school-community use. The former concerns itself with the production and/or dissemination of instructional aids to the classroom, the latter with general information programing aimed at parents concerned about the activities taking place within their children's school district.

The clearest demonstration of the need for this kind of information delivery can be found in the uses to which the system is put: Without the need, there are no users. With the exception of the NSF-funded project, these usese were and are supported by rallocation of existing resources or a reliance on pure volunteerism. In certain cases, the blind and the deaf, for example, the existing resources are so strained that these projects are finding it increasingly difficult to continue to do the kind of research and development necessary to fully gage the effectiveness of a delivery system capable of reaching small specialized audiences.

In addition to what I term "one-way" uses of cable technology, there is another use which is presently undergoing heavy experimentation in the ATC's Berks Cable system. This is a "two-wav" or bidirectional use wherein the utilization is based not only on delivery but also on feedback from the viewer or intercommunication between cooperating users. An example of these would be the NSF project where three neghborhood centers are electronically fused into a single entity; for example, in viewing the composite program there is no feeling of space between the widely separated, geographically, centers; home viewer response to programs, presently via telephone allows for active participation. Similar but nonfunded uses occur daily as school districts communicate with each other via special midband channels. Recently four separate school districts held a student government meeting on cable and participants spoke face to face without leaving their respective districts.

What I have attempted to briefly outline is a developing test bed for the advancement of cable television into a true telecommunications system. For the most part, this development has occurred through actual use by entities supported by reallocation of existing resources. There is, on the horizon a more intensive and structured total systems approach. This total systems approach will develop and will work for the same reason it has developed so far: It is needed and it is used. The speed of the development is the critical factor. Funded demonstrations of an information delivery system may be the way to close the ever-widening gap between human needs and the methods of identifying and fulfilling those needs.

Before giving the last sentence, I'd like to add—and I must say this, Senator—you did make reference to a GED program, a continuing adult education program. Although it's not in this text,

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we are now working with the community college in Reading, Pa. on a GED program that will give the people that need credits to receive a high school diploma this opportunity to get this information on this personalized basis so that they can further enhance their well-being.

And I want to thank you for giving me the opportunity today to testify before the subcommittee in support of the Education Broadcast Facilities and Telecommunications Demonstration Act of 1976.

Senator HARTKE. All right. Thank you for that information and thanks to the witnesses.

The hearings are adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

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ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

ASSOCIATION OF PUBLIC RADIO STATIONS,
Washington, D.C., March 29, 1976.

Hon. JOHN O. PASTORE,
Chairman, Communications Subcommittee,
Senate Commerce Committee,
Dirksen Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: One of the provisions that the committee will be considering in H.R. 9630 provides for radio subcarrier receivers to be eligible equipment. I thought it would be useful to provide you with the background information on radio information services for the print-handicapped.

It is presently estimated that there are approximately seven million Americans that have visual or physical impairments that make it difficult or impossible for them to read in the normal manner. To these "print-handicapped" people, the most common tool of learning and exchanging ideas in our society on a current basis is lost. With the loss of this ability there is also a loss of the pattern of a "normal" life which you and I take for granted.

Many years ago the talking book program of the Library of Congress was created to provide access to print material. Unfortunately talking book takes from a year to 18 months to produce a recording of a current novel. Until recently, therefore, a crucial gap in the timeliness of information has existed for people who cannot read. Today throughout the United States there are approximately 45 local radio information services which offer a way to overcome this problem. Most of these services are on the subchannel of public radio FM stations operating under Subsidiary Communications Authorization (SCA) granted by the FCC. SCA is simply a side band of the main channel FM which is authorized for closed circuit transmission and reception on specially tuned receivers. In requesting to use the SCA frequencies, the broadcaster must spell out exactly the purpose for which they are to be used. All of the present public radio SCA operators have indicated a print-handicapped service as their principal interest.

When a station begins an SCA service, it must first contact the manufacturers of SCA equipment and have them design a crystal tuned receiver for the specific subcarrier frequency on which they will operate. The station then contacts community groups, blind organizations, etc. and attempts to raise funds for the purchase of these receivers. The station retains ownership of these receivers placing them in the homes of the blind applicants. The blind are alerted to the availability of the service through public service advertising over the main channel of public and commercial stations as well as through blind organizations.

SCA services provide as much as 19 hours a day of reading for the print-handicapped. Programming includes the local newspapers, current books and journals, shopping and entertainment information as well as educational programming to advance rehabilitation.

The first SCA service for the print-handicapped began in January 1969 with Minnesota public radio stations KSJR, Collegeville, and KSJN, Minneapolis-St. Paul. Attached is a chart which indicates how the services have come on line since 1969. You can see both metropolitan and rural audiences are already reached.

There are in the planning stages an additional ten stations that I am aware of and I would anticipate that in the future virtually all of the FM noncommercial licensees supported by CPB would run this type of service. CPB has produced a manual backgrounding SCA which I am enclosing for your information. At this time interconnected service whether terrestrial or satellite is not anticipated due to the local nature of much of the reading.

H.R. 9630 would for the first time make the SCA receiver eligible equipment. These receivers currently sell to the stations for $70. Recent technological

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breakthroughs, however, promise that price will be cut in half within the next year. I think the committee report should make it very clear that funding under this new definition should be limited on a yearly basis as established by the Secretary's regulations. The local community through the station would, of course, still have to provide the matching money for at least 25 percent of the funds requested.

This provision to my mind will provide the fundamental services that public radio was created to provide, a noncommercial service that would be impractical for commercial broadcastiang to provide to a minority group limited in its numbers but desperate in its need for current information about the world in which they live.

I hope that this letter provides the background information that you requested and if I can be of further assistance, please feel free to call.

Sincerely,

MATTHEW B. COFFEY,
President.

Attachments.

STATE OF NEW MEXICO,
OFFICE OF THE GOVERNOR,
Santa Fe, N. Mex., March 30, 1976.

Hon. JOHN O. PASTORE, *Chairman,*
Subcommittee on Communications,
Senate Commerce Committee,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PASTORE: I am pleased to offer a New Mexico comment on the proposed "Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976"—S. 1257 and H.R. 9630.

I have long had a deep personal interest in public broadcasting in our state and last year established a new Governor's Commission on Public Broadcasting to ensure an effective statewide system. When I was a member of the New Mexico Senate, I was pleased to introduce legislation to make possible activation of KRWG-TV in Las Cruces and strongly supported similar action for KENW-TV in Portales. Proud as I was at the time of my support, I am even happier now after watching KRWG's on-air performance to have played this role in providing their essential service to New Mexico citizens.

We have three public television stations in the state. Albuquerque's KNME was a pioneer in the Rocky Mountain region in the 1950's. KRWG went on-air in 1973 and KENW in 1974. All are licensed to public educational institutions and are supported primarily by state appropriation. Congressional action on the proposed bill is crucially important to them and to New Mexico.

The Public Broadcasting Financing Act assures continued federal programming support for public broadcasting. But expanded local programming is impossible for a small local station lacking equipment to take full advantage of it. The carpenter must have the tools to do the job. Hence, it is essential to New Mexico that the Educational Broadcasting Facilities Program not only be extended, but that appropriation authorization realistically reflect both the existing backlog of qualified applications and the continuing increased local demand for the program.

Prior to the belated FY 75 grants, two of our three public television stations had only one videotape machine. Three television improvement applications and two radio applications (one expansion and one activation) were pending. All were carryovers from previous year filings. After the FY 75 grant announcements, one television and one radio improvement/expansion application were carried over again. These totaled $308,000 federal share. Hence, more than $100,000 New Mexico dollars were still committed into the third year since filing. New Mexico now has pending for FY 76 funding five applications—three television improvement, one radio activation, and one radio expansion—totaling $1.1 million.

The carryover radio/expansion application cited was filed by the Ramah Navajo School Board, Ramah, New Mexico, and we are advised the Navajo Film and Media Commission will reactivate the previous filing for a television/activation grant to the Navajo Nation. Our Commission has a constructive and supportive interest in this endeavor and will assist the effort as requested.

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Our Albuquerque television improvement application is a carryover of the phasing balance of a 1972 application and is crucial to effective use of our New Mexico network. Las Cruces and Portales television improvement grants are to provide state-of-the-art color cameras to replace obsolescent ones and additional videotaype film chain and switching equipment to approach HEW standards. The Portales radio activation proposal is to provide public radio service for our totally unserved Eastside audience.

Since the present appropriation has been inadequate to meet New Mexico's needs, I am pleased to note that H.R. 9360 provides realistic authorization of $37.5 million for one and one-fourth years. I am also pleased that it provides authorization for $1.25 million for telecommunications demonstration and particularly that this authorization is separate from the facilities authorization. Experimental satellite opportunities now exist, and this funding is necessary to capitalize on them.

I, therefore, endorse the provisions of the "Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976" to extend the Educational Broadcasting Facilities Program at a responsive authorization level and to support the demonstration program at a reasonable initial step level and request your favorable action on H.R. 9360.

Sincerely,

JERRY APODACA,
Governor.

PUBLIC SERVICE SATELLITE CONSORTIUM,
Denver, Colo., March 25, 1976.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We are happy to respond to your staff's suggestion that we submit our comments on S1257 and HR9630, the Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976.

The Public Service Satellite Consortium urges your acceptance of HR9630, which has already passed the House of Representatives.

For several years the Educational Broadcasting Facilities Program has contributed substantially to the progress of noncommercial educational radio and television in the United States. Our American system of public broadcasting, which is now coming of age, has depended critically on this program for the acquisition of vital equipment for production and transmission.

While the program as outlined in this bill continues to be a modest one, its perspective has been adjusted in order to recognize the potential of complementary developments in technologies beyond broadcasting. Satellites, the particular concern of this Consortium, have achieved prominence in certain commercial applications, and early experiments have been undertaken with regard to the efficacy of this technology for the public service. While these early beginnings give reason for optimism, the surface has hardly been scratched.

The funds set aside for demonstrations in HR9630 are urgently needed in order to make use of experimental satellite opportunities which are already upon us. Although the amounts are very limited, they will allow some initial steps, after which the Congress will have an opportunity to review the program.

We believe that HR9630 is preferable to S1257 in several respects, particularly those relating to funding levels and priorities. Of great interest to this Consortium is the fact that HR9630 treats the demonstration funds separately from facilities funds. We believe that an independent fund for demonstrations will provide clearer administrative direction and more precise accountability than would be the case in alternative plans.

The Public Service Satellite Consortium applauds your Committee's record of public service in the field of Educational Broadcasting Facilities, and we urge your continuing attention to the parallel work needed in telecommunications demonstrations.

Sincerely,

JOHN P. WITHERSPOON.
President.

H. REX LEE,
Chairman of the Board.

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JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS,
Washington, D.C., March 30, 1976.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: The Joint Council on Educational Telecommunications is pleased to respond to the suggestion of the Committee staff that we voice our views on the Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976.

Enclosed is a copy of our statement to the House on an earlier version of the legislation, H.R. 4564. The version passed by the House, H.R. 9630, corrected both of our major criticisms by substantially increasing the level of funding authorized and by designating the amounts for each of the major divisions of the act.

Although S. 1257 would provide a five-year authorization, we urge acceptance of the House version because we believe its strengths outweigh the shortcoming of its single-year life. We shall, of course, continue to urge multi-year authorization later, but we believe that passage of an adequately funded program is the most immediate and pressing need.

As our comments to the House Subcommittee make clear, the Joint Council on Educational Telecommunications and its members (list attached) have a long-established and abiding interest in both the continued health and growth of public broadcasting and in the application of newer communications technologies to meeting educational and social needs. Thus we endorse and support the comments of the Corporation for Public Broadcasting, National Public Radio, and the Public Broadcasting Service—all members of the JCET—and those of the Public Service Satellite Consortium (of which the JCET is a founding member).

The remarkable unanimity with which those most interested in this matter give their support to H.R. 9630 speaks clearly both for the magnitude of the need and the desirability of prompt legislative action so that no time is lost.

Thank you for the opportunity to lend our support to this important measure.

Sincerely,

FRANK W. NORWOOD,
Executive Secretary.

Enclosures.

JCET MEMBERSHIP 1975

Agency for Instructional Television.
American Association for Community and Junior Colleges.
American Association for Higher Education.
American Association of School Administrators.
American Council on Education.
American Library Association.
Association for Educational Communications and Technology.
Corporation for Public Broadcasting.
Council of Chief State School Officers.
Great Plains National Instructional Television Library.
Indiana Higher Educational Telecommunications System.
Kansas Educational Telecommunications Commission.
National Association of Educational Broadcasters.
National Education Association.
National Public Radio.
National University Extension Association.
New Jersey Public Broadcasting Authority.
Pennsylvania Public Television Network.
Public Broadcasting Service.
Virginia Public Telecommunications Council.

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STATEMENT OF THE JOINT COUNCIL OF EDUCATIONAL TELECOMMUNICATIONS

INTRODUCTION

The Joint Council on Educational Telecommunications (JCET) is a twenty-five year old consortium of national and regional, non-governmental, nonprofit educational organizations; its membership includes many of the leading organizations in education and in public broadcasting such as the American Council on Education, the American Association of School Administrators, the National Education Association, the Corporation for Public Broadcasting, the American Library Association, and the National Association of Educational Broadcasters.

The JCET wholeheartedly supports H.R. 4564, The Telecommunications Facilities and Demonstration Act of 1975, with only two reservations: first, that the level of funding is seriously deficient if the purposes of the program are to be advanced even moderately; and second, that the legislative history, if not the language of the staute itself, should make clear the proportion of funds authorized for each portion.

THE FACILITIES PROGRAM

With respect to the first of these concerns, JCET associates itself with the exhaustive research submitted in these hearings by the Corporation for Public Broadcasting and others, which illustrates the true funding needs necessary to achieve the original purposes of the Facilities Program. The JCET recognizes that the realization of 100% saturation of public broadcasting signals—radio and television—throughout the country is impracticable. But we urge that a reasonable saturation of 85 to 90%, which *is* within practicable range, should be the program's goal. Demonstrably, that goal has not been reached.

The JCET was among the leaders in urging enactment of facilities legislation in 1962, and recalls that the first five-year funding appropriation for the program was $32 million. Over the coming five years, the demand for the establishment of new stations and the upgrading of existing ones in pursuit of the goal of 85-90% household coverage makes the presently-budgeted $35 million wholly inadequate, not only in terms of the total numbers of dollars, but equally in terms of relative buying power of 1962/66 dollars vs 1975/80 dollars. The research referred to above makes manifest that the Administration's $7 million per year will not even permit the maintenance of current levels of operation; thus, system obsolescence will increase, and new areas of service will be developed with painful slowness, results threatening the vitality and viability of the whole public broadcasting system.

The application of Federal and local funds, the dedication of thousands of talented educators, administrators and broadcast professionals, the clearly-developed bank of programs as well as the potential for thousands more in the years to come—all these represent an investment which must not be jeopardized. JCET urges the funding of the Facilities Program over the next five years in annual increments which will permit not merely maintenance of the system at its present level, but will insure its growth and improvement to the maximum practicable extent and efficiency.

THE DEMONSTRATION PROGRAM

The JCET's second concern is directed to that proportion of available funds to be allotted to the demonstration program. We believe that this program must be adequately funded, but that the far greater share of funds must be allotted to the facilities program. We urge that the legislative history make this clear, even to the extent of suggesting appropriate ratio between the two. JCET's reservation in this regard is not intended to diminish its enthusiastic support of the demonstration project. Indeed the nature of JCET's mission is intrinsically linked to such a program. For example:

JCET is currently acting as secretariat to, and was instrumental in the founding of, the new Public Service Satellite Consortium, a nonprofit corporation the purposes of which include: arranging for and promoting the shared use of satellites and other communications capabilities as delivery mechanisms

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for health, educational and other public services; assisting in coordinating the telecommunications planning activities of public and private institutions and agencies; providing a mechanism to identify and aggregate potential users; acting as the latter's agent in arranging communications services on a cost-sharing basis; and developing practices encouraging the experimental uses of new telecommunications services.

JCET is co-sponsoring (with the University of Mid-America, the Federal Interagency Committee on Education and the Council for the Progress of Nontraditional Studies) a major National Conference in June to explore the opportunities and challenges of open learning systems, nontraditional study programs and the role of new technologies in the open learning process;

JCET, in its role as interface between the educational community and the government's involvement through the National Aeronautics and Space Administration in communications satellite development and experimentation, is also co-sponsoring (with the American Institute of Aeronautics and Astronautics and the Department of Medicine and Surgery of the Veterans Administration) a conference in Denver in July to provide an exchange ideas between designers of communications satellites and those concerned with their potential for health care, education and other public service uses. Further, the JCET has been intimately involved with the development of, and reporting on, the satellite technology demonstrations in the Rocky Mountain and Appalachian areas as well as the medical education experiments in Washington, Alaska, Montana and Idaho, which until May 20th were being conducted via NASA's ATS-6, -3 and -1 satellites.

JCET also works with such organizations as the National Cable Television Association, PubliCable (a consortium of organizations and individuals concerned with public service uses of cable technology) and The Public Broadcasting Service, the Corporation for Public Broadcasting and other elements of its own membership in exploration of the application of all communications technology and techniques to the needs of education and public service.

It is clear then that JCET's support of a program to employ Federal monies to fund demonstrations and experiments designed to explore the effectiveness of communications technology in furthering public needs is wholehearted. Broadcasting, effective as it has proven in the broadening of educational and cultural opportunities for a large portion of the American people, cannot alone serve all the needs of formal and informal education, and of other social services. For these multi-purposes multi-channels are needed; old patterns and modes of distribution no longer serve, and the single transmitter serving a single public at a singular time cannot achieve the variety of results which our increasingly-complex society demands. Already, for example, educators concerned with the administration of that innovative experiment in open learning, the British Open University, are complaining that the single television channel available for the distribution of its courses is inadequate to handle its traffic.

New voices are being heard, crying out for new solutions: The recent report to CPB by its Advisory Council of National Organizations on Public Broadcasting and Education includes among its eleven recommendations: "The CPB should . . . (Rec. 6) actively develop the educational programming applications of related technologies, in order to meet the educational needs of people at all age levels; and (Rec. 7) assure . . . an effective program of research, evaluation and demonstration regarding educational applications of public broadcasting and related technologies. . ." In support of these recommendations, the report went on to say:

"It is appropriate . . . to look toward an eventual system in which public broadcasting stations serve a core function but which includes the capacities of multi-channel cable, low-cost audio and video cassettes, the sub-channel capacity of FM stations, further use of the Instructional Television Fixed Service, and other mechanisms as they become feasible. Multiple networks based on satellite technology are not only possible but also likely; experimentation is already underway."

The foregoing evidence of JCET's support for the demonstration program contained in the present bill, however, is not intended to urge that the majority of funds authorized or appropriated be directed to that program. The clear evidence that others' research will submit to the subcommittee argues conclusively that the extension and strengthening of the nation's

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public broadcasting system has first priority. This is particularly true in the light of the limited funds which will probably be available during the early years of the five-year funding contemplated by the legislation, even though it is hoped that the Congress will increase the $7 million presently identified in the Administration budget. Furthermore, it may take some months for the responsible authority charged with activating demonstrations to organize procedures and identify significant projects. The purpose of the demonstration section of the subject bill is to light the way to exemplary uses of technology in the furtherance of educative and welfare purposes; the paths thus illuminated must be travelled by regional, state and local authorities with only incidental help from Federal sources.

JCET suggests therefore that either in the legislation or the legislative history, a ratio be established between the two sections of the bill, with the larger proportion of funds assigned to the broadcast facilities program and the smaller to the demonstration portion. This ratio should apply to all five years of the bill's life.

SUMMARY

In summary, the JCET believes that the two sections of this legislation are complementary and appropriate and that, on balance, the two represent a significant extension of the facilities program which can do much to guarantee not only the availability of public radio and television signals to the maximum practicable number of the country's households, but also to contribute significantly to the development of a sound, forward-looking public policy in terms of telecommunications policy and practice.

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